

For Agasei, Finally, a Big One That Didn't Get Away

Andre Agassi Integring his Wimbledon trophy on Sunday after his first victory in a Grand Slam tournament. With his victory over Goran Ivanesevic, Agassi became the first American man to win Wimbledon since John McEnroe in 1984. Page 13.

NATO Remodels to Fit Reduced Threat

By Joseph Fitchett International Herald Tribune

PARIS - Facing a dramatic shrinking in Western armed forces, NATO has started implementing a strategy whose military credibility masks some major political uncer-

Critics, most vocally the French, have taken the alliance to task for neglecting its military future in fa-vor of an expanded political role,

but most NATO officials sketch a picture of Europe at mid-decade in which remodeled forces will meet reduced security needs.

predicted before he left Brussels ast month that neutral countries, including Austria and Sweden, would want to join the alliance if

"Imagine the ambiguities in Europe if the United States gave de-

Underlining the North Atlantic Treaty Organization's continuing role, the outgoing U.S. ambassador to NATO, William H. Taft 4th,

sion, NATO's forces will be spearheaded by a rapid reaction corps, mainly a British armored division that could draw on specialized

units from other allies to ass a multinational battle group involving up to 100,000 men.

Mustering enough air, land and sea power to intimidate any military power except Russia and China, this force would be the hard core of NATO's standing armies, capable of moving within days to a

See NATO, Page 6

Bush, in Warsaw, Rallies Poles in 'Time of Trial' He Declares 'America Stands With You' For Some Aid And Assures Nation It Is on 'Right Path'

By Don Oberdorfer and Mary Battiata

Washington Post Service
WARSAW — Nearly three years after Poland threw off the shackles of communism, igniting a revolution in Eastern Europe, President George Bush returned Sunday to celebrate its "new birth of freedom" and declared, "America stands with you."

Speaking in the cobblestone square of War-saw's historic Old Town with President Leeb Walesa at his side, Mr. Bush sought to console Poles, for whom freedom has also meant a fivefuld increase in retail prices, a sharp rise in unemployment and the breakup of the anti-Communist Solidarity movement into squabbling factions and political deadlock.

Conceding that there has been "more pain than progress" for many people, Mr. Bush argued that "Poland's time of trial is not caused by private enterprise but by the stubborn legacy of four decades of Communist misrule."

"Make no mistake," he said. "The path you have chosen is the right path.

Poles turned out in large numbers to greet the president warmly, but without the fervor that marked his earlier trip, in September 1987, when Mr. Bush, then vice president, spoke out for the cause of the still-banned Solidarity movement, or his July 1989 visit, when he urged the Communist government to make its peace with the resurgent Solidarity, which had just won its first national elections.

When Solidarity took over the Polish government the following month and Moscow did oot countries ousted their Communist rulers

In revisiting the place "where the revolution began," as Mr. Bush put it, the U.S. president brought a message of reassurance and hope at a time when cupboria has given way to reality of severe economic and political problems.

To belp, be announced that the United States would permit Poland to retain for its own use the \$200 million previously contributed to an international stabilization fund for the Polish currency and that he was asking other contributors to the S1 billion fund to do the same.

The offer is conditional on Polish compliance with an International Monetary Fund program calling for austerity policies.

The United States has previously provided about \$4 billion in aid to Poland since 1989, the White House said.

In return, Mr. Bush asked Mr. Walesa to give U.S. exporters the same tariff advantages that will be granted to the European Community. A White House official quoted Mr. Walesa as saying the issue could be worked out.

"It is not safe at all here after the dismantling

of the Soviet Union, only today the dangers are somewhat different," Mr. Walesa told Mr. Bush as their round of talks began. Arguing for continued American involvement. am convinced that without a U.S. presence we woo't make it at all."

Later, speaking to the crowd estimated at 10,000 gathered in the square, the onetime shipyard electrician from Gdansk observed,

See BUSH, Page 6

Unpopular G-7 Leaders Keep Bickering on Issues Discord Is Theme at Annual Summit

MUNICH - In what might be called the summit of discontent, the world's seven most powerful industrialized countries open their yearly meeting here Monday with nearly all their leaders unpopular at home and increas-

Their old enemy, the Soviet Union, no longer exists. Yet, instead of enjoying the heady Cold War triumph, the seven leaders at the economic summit meeting have never been so bewitched, bothered and bewildered as they are today.

"For most of the G-7 leaders, their populari-

growth," said Robert Hormats, vice chairman of Goldman Sachs International and one of those who helped launch these annual meetings in the mid-1970s, when he was assistant U.S. secretary of state for economic affairs. "But instead of finding ways to work togeth-

er to accomplish something substantial that might pay off domestically," Mr. Hormats said, they are discovering more and more matters

where they disagree."

The leaders of the G-7 nations — Britain

Canada, France, Germany, Italy, Japan and the United States - appear caught in a vicious circle. Besieged by problems at home, they are in a poor position to take many risks abroad together. But unable to rely on each other to help revive world economic growth and over-

A split on European plan to help clean up the East's masale reactors. Page 6.

come other global difficulties, they have few solutions to offer their disenchanted voters. The G-7 countries "are in real trouble individually and collectively," contended Jeffrey E.

Garten, a finance professional who recently wrote a book that examines the shape of the post-Cold War global economy. What will be going on in Munich is not so much an effort to build the new world order as a desperate attempt to prevent backsliding and to limit the damage of deteriorating cooperation."

The demise of the Soviet military threat has left the old allies adrift. Where a common defense goal once held them together, new

See SUMMIT, Page 9

IMF Accord Paves Way To Russia

\$1 Billion Loan Cleared, Giving Yeltsin a Victory On Economic Program

By Louis Uchitelle

MOSCOW — The Russian government and the loternational Monetary Fund announced on Sunday a lending agreement that gives Presisought from the West for his economic policies, but which also commits him to cut back on government spending just when the deficit is

ising sharply.

The IMF had been under pressure for weeks from the Bush administration to soften its usual requirements so that an agreement with the Yeltsin government could be announced in advance of the economic summit meeting opening Monday in Munich, Mr. Yeltsin is to join Mr. Bush and the leaders of the six other major ndustrial nations in Munich on Wednesday.

The formal announcement of the loan agree ment came in a short statement signed by acting Prime Minister Yegor T. Gaidar, and the IMF managing director, Michel Camdessus. The statement spoke vaguely of "new measures" that will "strengthen the economic reforms and the stabilization program of the Russian feder-

ation government."

IMF officials did not comment beyond ac knowledging that Russia would qualify for a \$1 billion IMF loan, once the agreement is ratified by the Fund's board of directors in early Au-

The agreement appears to commit the Yelt-sin government to anti-spending policies just when the parliament is pressing for greater outlays to subsidize state-owned enterprises burt by a steep recession and the difficult transition to a market economy. As a result of these pressures, the hudget deficit has risen sharply in

Specifically, the agreement commits the government ernment and Russia's central bank to maintain a ceiling on loans and to adhere to spending es, according to Jeffrey Sachs, a Harvard University economist and a senior adviser to the Yeltsin government. Mr. Sachs partici-pated in the IMF talks last week, returning to the United States on Saturday.

"The government is trying to resist the pressures in the country to spend, and is trying not to let matters get out of control," Mr. Sachs said in a telephone interview. "Mr. Gaidar is aware that if all the parliamentary pressures were met, that would put Russia into hyperinflation, and the government is committed to resist this."

Mr. Gaidar and Mr. Camdessus had worked

out the general terms for the \$1 billion loan Although an IMF team had been trying to oegotiate the details for the past week, success came only after Mr. Camdessus flew here from Washington and met with Mr. Yeltsin on Satur-

A broader agreement, to be oegotiated in two stages over the next six months, would release a total of \$24 billion in foreign assistance, including \$4.5 billion from the IMF and the World

See RUSSIA, Page 9

Bush and His Family Affairs Sons and Brother May Be Campaign Targets The deal raised eyebrows in the retary of commerce, became the

By Michael Isikoff

Washington Post Service
WASHINGTON — Since President George Bush took office, news stories have raised questions about the judgment, and in some cases the ethics, of Bush family members. Now, as the 1992 presidential campaign intensifies and becomes more personal, the business affairs of Mr. Bush's relatives are increasingly a target for Democrats wishing to depict him as a president of special privilege.

No evidence has surfaced that Mr. Bush has intervened on behalf of any of his relatives. In each of the cases raised in the news media, the relatives or their associates have vigorously denied wrongdoing. Democrats claim that in some cases Mr. Bush's relatives have ei-

ther exploited or appeared to bene-fit from their relationship to the • In 1990, the government of Bahrain awarded an exclusive offshore oil drilling contract to Harken Energy Corp., a Dallas firm whose board of directors included the president's oldest son, George W. Bush, 45.

sources or experience for the job, but Bahrain officials denied it had anything to do with the connection to the president's son.

George W. Bush, who declined to comment for this article, earlier

In a muddled race, some things are clear. Page 3. Reagan administration rebuffed Perot on Vietnem. Page 3.

this year sold \$848,560 of Harken stock. A week later the firm posted unusually poor earnings and the

stock value plunged. U.S. News & World Report disclosed the sale and suggested Mr. Bush may have profited from inside information. Mr. Bush, who adamently denied the accusation, recently resigned his position at Harken to work full time on his

father's re-election. • Jeb Bush, another son, a former chairman of the Dade County Republican Party and Florida sec-

cil industry because Harken appeared to lack the financial retionship with Miguel Recarcy Jr., a politically active Floridian whose health maintenance organization, International Medical Centers, has been since charged with Medicare

> Jeb Bush, in a response published in the Miami Herald in May, said that in 1985 he made one phone call to a mid-level official at the Department of Health and Human Services in Washington on be-half of Mr. Recarey, who was seeking a valuable waiver from a federal law barring a health maintenance organization from having more than 50 percent of its chientele made up of Medicare recipients. Mr. Bush wrote that he had done nothing improper, asking only that the company be given a "fair hear-

McClain Haddow, former chief of staff to Margaret Heckler, the secretary of health and human services, recalled in an interview last week that Mr. Bush called both Mrs. Heckler and him about Mr.

See FAMILY, Page 6



Farmers, masking their identities, blocking a rail line Sunday behind burning tires at the station of Miramas in southern France.

Hits Rails In France

PARIS — Thousands of train passengers in France were stranded Sunday as a weeklong blockade of major highways hy long-haul truck drivers spread to parts of the railroad system. Hundreds of fruit growers and

other farmers from the Drome and Ardèche regions, furious that the roadblocks were stopping their produce from getting to market, began Saturday evening to block the rail line between Lyon and the Mediterranean. The farmers' action also ent off

Paris from the Riviera on one of the busiest weekends of the year.

About 60 percent of the hotel reservations in France have been canceled since Tuesday because of the blockades, the National Federation of Hotel Industry said Sunday. It described the situation as "bordering on catastrophe." Truckers maintained more than

the

ne).

100 roadblocks around the country See FRANCE, Page 6

Iragis Bar UN Arms Inspectors BAGHDAD (Reuters) — Iraq barred a team of United Nations

chemical weapons inspectors from entering a government building on Sunday, and the leader of the inspection team said the interfercace was a violation of UN cease-fire resolutions. Karen Jansen, an American who heads the 16-member team, said

outside the Ministry of Agriculture and Irrigation, "For some reason they do not want us to enter this particular facility." In response, Iraq said it had barred the team because it believed the building contained nothing related to the Gulf War resolutions, which required Baghdad to destroy weapons of mass destruction and the means of manufacturing them.

General News

A U.S. educator cites new trends and unmet goals. Page 2. stugues flee Somalia for a new

Business/Finance Italy raised interest rates to de-

strong U.S. recovery. Page 9.

fend the battered lira. Page 7. Bond investors do not foresee a

High Wages Lure Brazilians to 'Bright Lights of France' brightest in this region straddling the equator. Fleeing a decade of stagnation, Brazilians are migrating to French Guiana in search of European By James Brooke New York Times Service

OIAPOQUE, Brazil — After a few shots of rum, fishermen who gather nightly on a riverside wharf here often say that, peering through the tropical haze of the eastern Amazon, they can see "the bright lights of France."
Indeed, 15 minutes down the Oiapoque River by

motorized canoe, on the opposite bank, lies a thinly populated corner of Europe: St. Georges de l'Oyapock, in neighboring French Guiana.

Historically, Brazil has been a nation that received immigrants, not one that sent out emigrants. Traditionally, this remote edge of the country was a beacon for French convicts escaping Devil's Island and the thick jungles of French But now it is the lights of France that burn

five states closest to it have 20 million people, most of them poor. Without life jackets and packed into precarious

enne, the capital of the French department.
"You have to hit the beach running." Iran Bernardino, a Brazilian veteran of the trip, counseled a friend late one afternoon as they waited for the sun to set before climbing into a river canoe.

obtain, most Brazilians enter the department illegally by way of Cayenne. Some continue to Kouron, site of the European Space Agency's launching complex, which has become the world's busiest commercial satellite center.

month in a furniture factory in Cayenne," Mr. Bernardino said, an amount worth about \$1,750 now. By contrast, the 36-year-old former constructioo worker noted, B. azil's legal minimum salary is

\$67 a month. Oiapoque, an isolated Amazon village without a sewer system, without a high school and without a working telephone at the town hall, has become the latest contact point between two tectonic plates the economically developed north and the eco-

The deep recession has sent Brazilians knocking on all doors. As many as 1 million Brazilians have emigrated to the United States, Japan and Europe

since 1980. Most recently, they have turned to

"We used to be one big family here," Mayor Romain Garros of St. Georges said. "Now we have

Outside the town hall, St. Georges looks like a French village transported to the Amazon. French

In the oppressive humidity, France's blue, white and red flag hangs limply near a whitewashed obelisk honoring local men killed in World War I. On a far side of the central square, a supermarket

On a road to the airport, a new hospital and high school attest to largesse flowing from Paris. The

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French Guiana has only 100,000 people. Brazil's

wooden canoes, hundreds embark every week from here for the perilous, seven-hour journey to Cay-

With French work visas virtually impossible to

nomically deprived south.

"Uotil I was caught, I was carning 9,000 francs a

more and more canoes going downriver with ille-

taxpayers foot the bill.

sells pate and Camembert imported from the "Me-

See BEACON, Page 6

U.S. Education: A Blend of New Trends and Unmet Goals

As the education issue gains prominence in the U.S. electoral debate, Varian Gregorian, the head of Brown University, spoke with Joseph Fitchett of the IHT about American educational systems.

Q. Can George Bush - or anyone else - be "the education president" and overhaul the system?

A. If he insists on action, not just more debate. In the last 15 years, a consensus has developed about what needs to be done in elementary and secondary educa-tion: The curriculum has to eliminate mushy overlaps with college subjects and focus more on basics, then each school each teacher - has to take more responsibility for getting the job done.

This approach has been tried in some of the most unpromising situations and worked spectacularly well. The change is important to universides so we can stop having to devote a year to remedial work

Q. The educational entrepreneur Chris Whittle says that the system cannot change from within, so he is proposing a national octwork of private schools based on interactive video and other high-tech delivery systems and partly financed by advertising in the classroom.

Is it a good idea? A. I believe that education has to remain a public service. It doesn't concern me personally at Brown, which is private.

MONDAY O&A

But we must uphold a vital U.S. value: Democracy and excellence are not exclusive, educational barriers must not forge a permanent underclass.

Q. How does U.S. higher education compare to European and Japanese? A. It has no match anywhere in the world, so far. We are a net exporter of education. There are 400,000 in 500,000 foreign students in our universities from all over the world -- as many as the entire student body in some big European countries.

One strength is our emphasis on com-bining the theoretical and practical, the

The campus system forges educational communities, not commuter students. Our faculty members do not feel it beoeath their dignity to work personally with students - something that is often looked down on in continental European

We have 3,000 institutions of higher learning, of different types and levels, so we can adapt to society's changing needs. American culture is so powerful that it is becoming universal: most of the new East European leaders were partly educated in the United States.

Q. Is the system threatened by ethnic tensions of the sort that exploded in Los

A. The makeup of American society, which has become a microcosm of the world, is considered by many to be a weakness. In fact, diversity is a strength, part of the historical dynamic that has enabled America to renew itself again

Many leading U.S. universities right now are headed by immigrants — some-thing that could not happen in any other major nation. The country has been re-

peatedly saved by new immigrants. Asian-Americans, for example, are Americans who will strengthen America - somebody has got to.

Q. But universities seem beset with problems of multiculturalism.

A. I have some worries. For one thing, in the major scientific disciplines at postgraduate levels, 50 percent of the students are foreign nationals who may take their talent elsewhere.

Another problem is that affirmative action that started in the 1960s was intended essentially to help African-Americans because they had been excluded from the national system. But this vehicle has become so full of other passengers -Hispanics, Asians, others - that it's not working, especially in recession.

Multiculture is a growing force: America thinks of itself as a civilization, not a culture in the European sense, so some
Americans started drawing attention to
the cultures they left behind and now the
interest is for ethnic groups to stress the
The loss of that rationale could cause contribution that they have made - as some short-sighted mistakes.

Chicanos, blacks, Japanese-Americans

The second secon

- to the country's civilization. Q. Are these trends causing problems in universities?

A. They add to the explosion of knowledge, which is beyond any institution's ability to convey in four years and even to store in our libraries. So we have an intellectual and economic crisis, complicated by the intricate make-up of American society. We have to reform our public high schools.

And we can use our resources better by teaming up with foreign institutions of higher learning to marry op our strengths. Brown has ties in Japan. In Europe, we have partners in France, Germany, Italy and England. We also have a satellite program with the Russian academy for educational video-conferencing.
All this international opening is not just economic, it's also intellectually important as we adjust to an era of peace.

For 70 years, we used enemies - Nazis

WORLD BRIEFS

Rabin Courts Ultraorthodox Party

IERUSALEM (AP) - Yitzhak Rabin's chances of forming a government improved Sunday when a religious party said it was making progress toward joining his Labor Party coalition.

Interior Minister Arych Deri of Shas, or Sephardic Torah Guardians an ultraorthodox party that won seven seats in elections last month, mewith Labor Party negotiators and said that "based on the goodwill 1.

encountered, this evening there can be progress in the negotiations."

The likelihood of Shas joining the coalition gives Mr. Rabin greater leverage over the rightist Tzomet party and leftist Meretz bloc with whom he is negotiating. Tromet, with 8 seats, and Meretz, with 12, have criticized a draft of Labor's government guidelines that would care construction of some Jewish settlements in the occupied territories while

Gunmen in Algeria Kill 5 Policemen

ALGIERS (AFP) - Gunmen killed five policemen overnight in the town of Boudouacu el Bahri, the police said Sunday.

The attack, about 40 kilometers (25 miles) east of the capital, was the first fatal assault on the police since President Mohammed Boudial was assassinated June 29. A spokesman did not specify whether the policemen

55% Oppose New Japan Troop Law TOKYO (Reuters) — A majority of Japanese oppose a new law that allows the government to send troops overseas for the first time since

World War IL according to a new poll. Almost 55 percent of the 2,000 respondents said they opposed govern-

ment plans to send troops overseas to join United Nation peacekeeping operations in Cambodia and other trouble spots. Forty-two percent said they supported the plan. The poll was published by the Tokyo Shimbun. The troop plan is expected to be one of the main issues in the election campaign for the upper legislative house, which begins Wednesday. ment plans to send troops overseas to join United Nation peace

Woman Proposed as Polish Leader

WARSAW (Renters) — Poland's badly divided political parties, under pressure from President Lech Walesa to form a new government, on Sunday proposed Hanna Suchocka as prime minister. Seven parties, heirs to the Solidarity trade union, backed the 46-year-

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old academic, who would be the country's first woman prime minister. But the parties remained at odds over forming a new cabinet.

Waldemar Pawlak, who has served as prime minister for one month, offered to step down last week after failing to form a cabinet.

War-Crime Charges for 2 Frenchmen

PARIS (AFP) — The Bordeaux Court of Appeal has brought charges against two top French police officials during World War II, René Bousquet and Maurice Papon, for their activities during the Nazi occupation, judicial sources said Sunday.

Mr. Bousquet, the secretary-general of the French police under the Vichy government, was charged with crimes against humanity, the weekly Le Point said Saturday. It said the same charge was brought against Maurice Papon, the police general secretary in the Gironde department. The men, both 82, have already been charged with war crimes, Mr. Bousquet in Paris and Mr. Papon in Bordeaux. The latest charges, stemming from an inquiry begun in Bordeaux in April, are expected to establish the roles they played in deportations of Jews in 1943 and 1944.

Rockets Cripple Kabul and Kill 100 KABUL (Reuters) - The capital of Afghanistan was without water

and power Sunday after rocket attacks that killed at least 100 people and wounded 300. Islamic Party forces led by Gulbuddin Hekmatyar bombarded the Afghan capital from positions in the mountains on Saturday.

President Burhanuddin Rabbani, serving his first week in office, narrowly avoided injury when a rocket fell less than 100 meters from a meeting. An Islamic Party spokesman in Peshawar, Pakistan, said the shooting had been intended to stop the entry into Kabul of Ustad Farid, a party commander nominated by Mr. Hekmatyar as prime minister-

For the Record

Senator Edward M. Kennedy, Democrat of Massachusetts, and Victoria Anne Reggie, a Washington lawyer, were married in a small civil ceremony attended by about 30 close relatives in the senator's house in McLean, Virginia. It is the second marriage for both. (WP)

The 35-year-old recipient of a baboon liver that was transplanted a week ago has improved and is walking the halls of his intensive care unit, a hospital spokeswoman said Sunday in Pittsburgh. His condition has been upgraded to serious from critical.

TRAVEL UPDATE

Late-night singing has been banned in bars on the waterfront of Lamaca, Cyprus. The Cyprus Mail quoted the police Sunday as saying the ban resulted from complaints about customers' singing to recorded

This Week's Holidays

SATURDAY: Mongolia.

Today

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

Sources: J.P. Morgan, Reuters.

MONDAY: Guyana, Lesotho, Malawi, Zambia TUESDAY: Tanzania, Zambia. THURSDAY: Argentina, Morocco. FRIDAY: Mauritania.

The Weather

ian but populated mainly by Arme-The news agency Pro-Armenia said Mardakert and several nearby

villages were seized late Saturday. Turan said the Azerbaijani forces had opened a corridor from the town to allow Armenian fighters to leave but they refused to do so. Armenian losses were heavy, it added, quoting a statement from the Defense Ministry in Baku.

disputed eastern region. But clashes resumed only a few hours after the truce was an-(Reuters, AFP)

UN Observers Arrive in Somalia

But workers who have struggled to keep an international aid operation moving through months of lighting were doubtful about how

Karabakh Lose Town Compiled by Our Staff From Dispatches MOSCOW - Azerbaijani

troops have taken control of the oorthern town of Mardakert in the disputed enclave of Nagorno-Karabakh, oews agencies said Sunday. The Interfax press service in

Moscow said most of the 25,000 residents of the town had been evacuated. It added, quoting Armenian sources: "Dozens of people have been killed. Hundreds are

The Turan press agency in Azerbaijan said the republic's troops had destroyed Armenian positions in the town and in surrounding villages. It gave no information on

casualties.

About 2,000 people have died in four years of fighting over Nagorno-Karabakh, which is in Azerbai-

In ethnic unrest elsewhere in the former Soviet Union, At least 12 people were killed and 35 wounded in clashes in Moldova's breakaway Trans-Dnestr region overnight, the Moldovan Defense Ministry said

It reported fighting between Russian-speaking separatists and Moldovan forces in at least four towns, including Bendery, on the western bank of the Dniestr River. President Boris N. Yeltsin of Russia and President Mircea Snegur of Moldova met in Moscow on Friday and agreed on a cease-fire that would set up a neutral zone patrolled by "buffer forces" in the

choppy seas and the long drop

MOGADISHU, Somalia - The first group of United Nations military observers flew into the Somali capital, Mogadishu, on Sunday as street fighting that has driven most of the civilian population out of the city subsided

long the full might last. The UN observers are here to monitor the cease-fire agreed to

Europe North America Tuesday through Thursday will feature high heat and hursdidy in the south central and Gulf Coast states. New York City will be mostly surmy Tuesday and Wednesday with thursday storms possible Thursday.

con weather we com-nate central and eastern Europe Tuesday through Thursday. A chilly rain will dampen areas from the Aps eastward to the Ukraine. London, Paris and Celo will be cool with whowever, possible for

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Pilots Brave Gunfire With Sarajevo Aid

SARAJEVO, Bosnia-Herzegovina - Despite high risks caused by artillery fire, pilots continued Sun-

rajevo airport. A UN spokesman, Fred Eckhard, said the danger in flying aid into the Bosnian capital, besieged for three months by Serbian irregu-lar forces, was "unacceptably high - but as long as there is a will to

fly, the airlift goes on."

More than 300 tons of food and medicines have been flown inm Saraievo. Most of this has been distributed, but the humanitarian groups delivering the aid quickly exhausted the supplies and said much more would be needed.

As Serbian-led forces continued

to fight for control of the capital, Croats who live in Bosnia-Herzego-vina prepared to carve out their own autonomous region. Officials said a decision to set up Croat autonomous area, complete with its own government,

schools and press, was made at a meeting of the presidency of the Croatian Council of Herzeg-Bosna in the border town of Grude. "We believe that Herzeg-Bosna should be one of three parts in

Bosnia-Herzegovina with pobtical and cultural autocomy," Jozo Maric, the Croat mayor of Grude, said by telephooe.

The area, cutting down the middle of the former Yugoslav republic of Bosnia-Herzegovina, would be

centered on the mountains of western Herzegovina, the home of radical Croatian nationalism. Mostar would be the capital. Croat forces captured the city of 126,000 people, 130 kilometers (80

miles) southwest of Sarajevo, after two mooths of fighting. Croats form 17.3 percent of Bosnia's 4.3 million population, while

Muslims make up 43.7 percent and Serbs 31.3 percent. Mr. Eckhard went to the Sarajevo airport to welcome General Satish Nambiar, commander of UN forces, who planned to hold separate talks with President Alija Izetbegovic, a Muslim, and the Scrbian

leader, Radovan Karadzic. The crackle of small-arms fire could be heard at intervals close to the airport, but UN officers said shooting had decreased in intensity

"Nambiar is trying to reduce the Corps in Frankfur.

risk by preventing another serious outbreak of fighting like that we had on Friday night, following Lord Carrington's visit," Mr. Eck-

an Community negotiator. Mr. Eckhard said General Nam-

General Lewis MacKenzie of Canada, the local UN commander, earlier accused both sides of cheating and said it was evident that not all heavy artillery had been placed

wounded across Bosnia. The national death toll is officially 7,561, with 35,000 others missing and presumed dead, according to the Bos-nian Institute for Public Health. Meanwhile, delegates to the 52member Conference on Security and Cooperation parliamentary as-

day to land relief supplies at the hard said, referring to the Europe-

biar would discuss the cease-fire around the airport and an agreement to put heavy weapons in the area under UN surveillance.

under UN control. At latest count, there were 6,716 people in Sarajevo who have been wounded in the war and 27,412

sembly, a European security conference meeting in Budapest, accused Serbs of forcibly ousting thousands of Bosnians from their

homes in an ethnic-cleansing oper-



(Reuers, AFP) A Bosnian irregular in sunglasses and tennis shoes taking life easy on Sunday in a cemetery near the Kosevo Hospital in Sarajevo.

Bonn Seeks Controls on Foreign Troops

By Steve Vogel

Washington Post Service throw off one of the last vestiges of postwar domination by World War II victors by wresting added control over the bundreds of thousands of foreign troops still stationed on its soil.

After months of contentious oegotiations with six nations, including the United States, a ocw treaty governing bow the troops train and live in Germany is expected to be finished in coming weeks, according to officials close to

Germany has insisted on asserting its sovereignty in the new Status of Forces pact, the officials said. It seeks new restrictions on night training by U.S. troops and controls on U.S.

military hiring practices. The restrictions have been strongly resisted by the Pentagon. There is an underlying theme on the part of the German negotiators that Germany is an independent country and is not occupied by anybody," said Lieutenant General David Maddox, commander of the U.S. Army's V

The current treaty, dating from 1959, allows many as a sovereign state. Mentally, this proforeign forces broad freedoms that have be-BONN - Germany is expected soon to come a sore point for those Germans who resent having large foreign armies and air forces living and training in their densely populated

Following unification in October 1990. Germany insisted on a new treaty, but Washingtoo "persuaded them to push it off" until last year, according to a U.S. official in Washington. The ensuing negotiations with Britain, France, Canada, Belgium, the United States, and the Netherlands "were very tough and very difficult," said Karsten Voigt, a military specialist for the

opposition Social Democratic Party. "We have had to make clear that we are a fully sovereign nation, and that allied forces in this country are here by our free will," said Werner Hoyer, parliamentary leader for the Free Democrats, part of the ruling coalition in

After operating in Germany with a relatively free hand for more than 40 years, some allies

Talks have been particularly difficult with the British and French, according to one German official. But U.S. officials report that they have resisted Germany's insistence on broad authority at the three training areas maintained by the U.S. military on German soil.

The six countries together have about 235,000 troops in Germany, some of whom are to be withdrawn. There are also approximately 150,000 former Soviet troops, not subject to the treaty, in the process of withdrawing.

Delicate issues in talks with the United States include the question of nighttime training and flight restrictions. Defense Minister Volker Rühe said in Washington Thursday that "when you had the Communists right at your doorsten and the plane bad 90 decibels, it was ooisy but

Other complaints include tanks tearing up fields, low-flying jets screeching across the sky, and live-fire training at ranges on Sundays,

O.K." Now, he said, "it sounds much londer." find this difficult to understand, Mr. Hoyer said. "Politically, they completely accept Gerwhich are sacrosanct in Germany.

Somali Refugees' Voyage Was a New Nightmare

By Caryle Murphy ngton Post Service ADEN, Yemen - They were desperate to escape the guns and the shelling, the bandits who stole their cars, looted their homes, killed them for nothing. They sought food, of which they had litlle, and clean water and medicine, of which they had none. In short, they craved exit from their homeland, Somalia, which one of them likened to an atomic wasteland. So when the radio station in Mogadishu, the Somali capital, broadcast the news that a ship would take passengers to this port city for \$100 a head, about 3,500 Somali men, women and children grabbed the chance to flee the internecine warfare that was destroy-

ing their nation. But what was meant to be a fiveday passage to deliverance aboard vessel Gob Wein instead became a deadly 10-day voyage as the freighter bugged the rugged, steamy coastline of Yemen seeking a port that would accept it.

Finally, out of food and water in temperatures above 100 degrees Fahrenheit (40 degrees centigrade), with children and elderly dying of exposure and dehydration, the Gob Wein was intentionally ruo aground a few kilometers from Aden harbor, where passengers jumped into the sea to reach land before dying. In the end, nearly 150

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seem a metaphor for the millions of head — to Yemen last April in people powerless against forces another of his boats, a Yemeni threatening to destroy their nations source said. and lives: guns, enduring poverty, and a power vacuum left by the withdrawal of East and West into

which the politically ambitious and sectarian feuds have rushed. The Gob Wein is also a story of those who seek to profit from souls searching for an end to suffering. And it is a tale of patience. Cast up like flotsam on a dirty beach, many Gob Wein survivors said that do spite the heat, the flies, the lack of privacy, and the long lines for food and medicine in the temporary beach camp where they sleep in tents, they are happy because it is

"We have seen the worst days of our lives in Mogadishu," said Khalif Shira Hossein, 39, a former government employee whose wife was killed during shelling in January.
"I'm economically ruined, but I'm very happy because I'm safe," he said. "The only thing I'm very

an improvement on what they left

wortied about now are the people left in Somalia, who are being starved and killed by those who don't know the meaning of a na-Ali Mohammed, 41, director of a Somali shipping agency, said that after hearing of the Gob Wein on the radio, he paid \$100 to travel to Aden. Children between ages 6 and

12 were charged \$50, and those

under 6, \$20, he and other refugees About 3,600 people paid to embank on the Gob Wein, giving their money to Omar Badr, the agent for the ship's owner, Ghaifar Kateri, a Yemeni. Mr. Badr had said that the sea voyage would be about five days, and that they should bring their own provisions, refugees said. Mr. Kateri, who did not respond to cent years.

died of bunger, thirst or drowning. a request for an interview, had Yemeni officials now say that The passengers aboard the ship brought 1,600 Somalis — at \$150 a they will accept all arriving refu-

Before the Gob Wein set sail, about 400 to 500 nonpaying pas-sengers reportedly forced their way onto the ship, forcing some who had paid and already loaded their possessions - to be left behind, according in Western and Yemeni

The refugees differed on precisely when the Gob Wein left port, but A five-day passage

aboard a cargo vessel turned deadly. it was around June 11. Unknown to

to deliverance

its passengers, an order had gone out from the Yemeni government that no more ships with Somali refugees were to enter its ports, according to a Yemeni source. He said Mr. Kateri was informed of this decision before the Gob Wein Since last summer, there has

been a steady stream of boats arriving here with Somali refugees, pre-senting Yemen with a crushing burden. With a per capita income of \$550 — the lowest in the otherwise oil-rich Arabian Peninsula - Yemen was already struggling to absorb about 850,000 of its own citizens who fled Saudi Arabia during the buildup to the Gulf War because of Saudi anger at Yemen's support for Iraq.
With the arrival of the Gob

Wein, the largest shipload of refu-gees so far, Yemen is sheltering

50,000 Somalis, a small portion of

the estimated 600,000 who have

fled to neighboring countries in re-

gees, but that the international community must provide for them. This week, the governor of Aden is giving the UN High Commissioner for Refugees a plot of land on which to build a more permanent camp for the Gob Wein arrivals and others. The site can hold up to

Not all refugee-laden vessels have headed for Yemen. At least one ship tried to dock in Saudi Arabia last year, but was turned away. Western and Yemeni sources said. Despite the proximity of the Somali refugee situation, Saudi Arabia, whose per capita income is about \$8,000, has offered on direct assistance, the sources said.

By June 17, when most passen-gers had already used up their food and water, the Gob Wein had made its way across the Gulf of Aden and without explanation steamed not into Aden, but into the Yemeni port of Mukalla, 500 kilometers (300 miles) to the east. Port authorities refused it cutry, but sent out 4.000 liters of water - about a liter for each passenger. Mr. Hos-sein said an elderly couple and an infant died in Mukalla port and many passengers and, despite their bodies were thrown over-

west to Adea. During the two-day trip, water ran out. Some passengers dropped buckets by rope into the ocean to hoist seawater to drink. More people began to die. There is no reliable number on how many perished before the Gob Wein ran aground, but most refugee estimates are 45 to 60, Several refugees reported that some youths

Aden in the late afternoon of June 19, officials immediately ordered it to leave the port limits, which it did a Yemeni source said. The next morning, a few refugees and two crew members took lifeboats from the anchored ship and headed for shore to ask permission to enter the port to take on water, the source said. As they motored into the har-25,000 people, UN officials said. bor, Yemeni security forces fired shots into the air to make them turn

around, but the men ignored the warning, he said. Permission for the ship to berth in pick up water was finally granted by the anthorities, this source said. But before the order could work its way through the burean-cracy and be relayed to Mr. Rugas, the refugees took matters into their own hands.

According to refugees and UN sources, the captain was set upon by knife-wielding passengers who ordered him to head for shore. Mr. Rugas, who could not be reached for comment, grounded the ship at Hisswa, a flat, black-sand beach downshore from Aden harbor on the afternoon of June 21. The sight of land about 100 meters away was too much to resist for

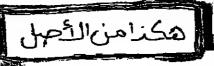
from the deck, they began to jump The ship's captain, Martin Rugas, 54, of the Philippines, headed One refugee said he threw his elderly mother into the ocean. Some people tossed children. Mr. Hossein, who said he was weak from no food or water for two days, also leaned.

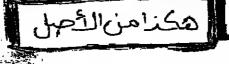
The more exhausted ones did not

stole food and water from others said. but that, contrary to previous re-On June 23, two days after the

make it to shore.

ports, there were no rapes or murgrounding, the order came for disembarkation. As it took place When the Gob Wein arrived in more dead were found aboard.





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Paul J Richards/Agence From President Bush, batting in a softball game, hoped that his Fourth of July swing through Faith, North Carolina, was a campaign hit.

Reagan Rejected Perot's Vietnam View

By Patrick E. Tyler

Torah Guarden Is last month as on the Sooded! negotiation: Mr. Rabin Beak IZ bloc with was IZ bloc with the

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New York Times Service WASHINGTON — As a way to win the repatriation of any U.S. servicemen still held in Southeast Asia, Ross Perot unsuccessfully sought to persuade the Reagan White House to begin limited economic relations with Viet-

nam and expand diplomatic contacts.

At the time, Washington was taking a harder diplomatic line with Hanoi toward the same end.

In a report to President Ronald Reagan dated April 8, 1987, after Mr. Perot returned from Hanoi, the Texas businessman promoted several ideas, including the establishment of a Vietnamese "economic representative" in the Swiss or Swedish embassies and a reciprocal U.S. business office in Hanoi, a former Reagan aide said.

Mr. Perot also offered to pay for a Viet-namese delegation to the United States to study U.S. industries.

In a list of recommended future actions that accompanied his report, Mr. Perot said he would finance a U.S. tour for Vietnam's leading war hero, General Vo Nguyen Giap, as part of a package of "good faith" gestures

Mr. Perot said in his letter that the moves would be a "small price to pay" if they led to the release of U.S. POWs.

The recommendations were rejected by Mr. Reagan after administration officials argued that U.S. policy toward Hanoi should stay on course, requiring Vietnam to meet its pledges to withdraw from Cambodia and clear up issues relating to missing U.S. servicemen from the Vietnam War era before Washington considered diplomatic recognition and lifting a longstanding trade embar-

Commenting on Mr. Perot's actions at the time, a senior spokesman in his undeclared.

presidential campaign said in Dallas that the Reagan administration had had "no effective game plan" on Americans missing or still held prisoner in Southeast Asia.

He added that Mr. Perot had been asked to develop one, and that he did so and delivered it to the administration. But the Reagan administration, he said, was too preoccupied with the Iran-contra scandal to follow through and implement the plan.

The letter to Mr. Reagan is the most illuminating document that has emerged so far from Mr. Perot's short-tenured service to the Reagan White House as an unofficial review-er of POW-MIA policies.

To a number of Reagan administration officials, Mr. Perot's proposals raised questions about his approach to foreign policy. Members of a committee supervising policy toward Vietnam under the National Security Council criticized the proposals because they granted "concessions without performance, several of them said in recent interviews. These officials were concerned that Mr.

Perot's eagerness to make progress on the POW-MIA issue was being manipulated by Hanoi leaders seeking to use it as leverage to bring an end to their diplomatic and econom-The document shows that Mr. Perot was

seeking to place himself in the role of broker of a new economic relationship between Washington and Hanoi as part of his strategy to secure the release of the Americans he believed were still being held.
"They are interested in direct assistance

from the private sector, feeling that the private sector knows more about business than the government," he wrote to Mr. Reagan, adding parenthetically, "I believe this is their primary interest in me." A few paragraphs later, he noted, "The Vietnamese have studied me in detail.

At the same time, Mr. Perot said that he

had explained to Vietnam's foreign minister, Nguyen Co Thach, "that it would not be possible for our two countries to work together until the POW-MIA problem was re-

"He accepts this," Mr. Perot added, "but needs shows of good faith an our part."

Reagan officials abserved that Mr. Thach, the most pro-Western member of Hanoi's Politburo, appeared to be using his relation-ship with Mr. Perot and the promise of economic development through such a relationship in an internal power struggle with hardliners. Mr. Thach was forced to retire a year

Richard Childress, a former National Security Council official who was supervising POW-MIA policy at the time, said recently that Mr. Perot's actions were "directly under-mining" negotiations. His approach "represents naive acceptance of a strategy of re-sponding to the laundry list of well known Vietnamese objectives as if it would automatically bring cooperation."

Mr. Childress said that U.S. negotiators who went to Hanoi three months afterward faced hostility from the disappointed Viet-

Mr. Perot's letter to Mr. Reagan reflects his blend of sharp criticism of government competence and his enthusiasm for action and overnment activism, if necessary, in support of a worthy cause.

His proposals, had Mr. Reagan followed

them, would have marked an abrupt change in strategy. Washington's view was that Vietnam needed to make a show of "good faith" by cooperating with U.S. efforts to complete a final accounting of Vietnam War dead. "History has shown that concessions prior to performance is death," Mr. Childress said. They'll take and take and take. We've learned that over 25 years."

In Muddled Race, Some Truths Are Clear

By Robin Toner New York Times Service

WASHINGTON - After a mouth of high panic and strange omens as the two major parties struggled to adjust to Ross Perot and a three-way race for the presidency, a few rough lessons are

First and foremost, Mr. Perot's rivals learned that the Dallas bil-

NEWS ANALYSIS

lionaire would bleed just like any other politician. In May and early June, his surge in the polls had crossed most of the lines of ideology, demographics, party and region, a strange new phenomenon from talk-show land that seemed immune to the normal rules of poli-

After a month in the arena, however, getting frisked by the news media and worked over by Republican surrogates for President George Bush, Mr. Perot lonked more vulnerable to both parties. Second, all sides got a lesson in

how attack politics can have unintended consequences in a three-way race. The Bush forces went after Mr. Perot last month, making a strategic decision to try to cap his movement early on. And two polls released last week showed that Mr. Perot was indeed acquiring an increasingly negative image in the minds of many voters. But the candidate who was gaining was not Mr. Bush, but Governor Bill Clinton of Arkansas, who carefully stayed outside the fight and con-centrated on rebuilding his own im-

Veterans of three-way statewide primaries already knew this lesson: Supporters peeled away from one candidate do not automatically go to his attacker. Democrats say this dynamie is particularly problematic for Mr. Bush. "He was able to beat Michael

issue of abortion.

A Would-Be Partner Differs

With Clinton Over Abortion

WASHINGTON - Representative Lee H. Hamilton of Indiana, who

is under consideration for the Democratic vice-presidential nomination.

seemed Sunday to put himself at odds with Bill Clinton's views on the

Mr. Hamilton said on national television that it was "perfectly appro-

Mr. Clinton, the Arkansas governor who is all but certain to be the

nominee, has spoken in support of what he calls the right of women to

make moral decisions without interference from the state. He has also

said his running mate would share his views on abortion. Nevertheless,

Mr. Clinton has supported an Arkansas law that requires minors to

inform their parents, or a judge, of the intention to obtain an abortion.

Mr. Clinton, but Mr. Clinton has refused to comment.

Mr. Hamilton has said he has discussed the vice-presidential slot with

priate to put some restraint on a woman seeking an abortion," including

imposing a 24-hour waiting period after an initial visit to a doctor.

him into the ground, and since voters had no place else to go, he survived and won without a mandate," said Stan Greenberg, a poll-

taker for Mr. Clinton. Mr. Clin-

harder in a three-way race, where

voters always have someplace else

In a race this long and this in-

tense, Mr. Bush could also pay a

cumulative price for being chroni-

cally on the attack; vitters, after all,

have repeatedly shown their dis-

taste for politics and politicians

this year. At the moment, that appears to be a risk the Republicans

are willing to take, although they

are trying to insulate the president

himself from the attacking being

This leads to a third major devel-opment in June: The president's

continued malaise. After a month

when the Bush forces tried negative

politics and positive appeals, tonk

their own forays into the new talk-

show campaign, and pulled off a successful summit meeting with

President Boris N. Yeltsin of Rus-

sia — tried, in other words, just

about everything - Mr. Bush re-

mained stuck, frustrated, unable to

Polls showed the president with about a third of the voters in a

closely packed race, an embarrass-

ing place for an incumbent presi-

"What we're still grappling with is the means with which to portray

positively President Rush's sub-

stantial accomplishments so they

are greater appreciated by the

American people," said Rich Bond, chairman of the Republican Na-

tional Committee. "We've figured out how in move the other guys. We

just haven't ligured out how to

only deepened by last week's eco-

nomic news. The unemployment

rate reached 7.8 percent, an eight-

year high, just as the Republicans

The president's dilemma was

dent in be.

move ourselves.

done on his behalf.

they expect Mr. Clinton to emerge ton's allies say that strategy is front-runner in the polls.

"He's going to consolidate his are and surge and be in first place "He was being propped up mainbase and surge and be in first place for a while around his convention," said Charles Black, a senior adviser to the Bush campaign. "But then he's going to have a bett of a challenge to keep it."

quiekly the poll numbers can pect."

against Mr. Clinton's new economic package. Some experts argue that support for Mr. Pernt was always Some Republican strategists say exaggerated in the polls, a reflection of a brutish primary season from the Democratic Convention, that left many voters discontented, which begins next Monday, as the and thus easily swayed by the first wave of news coverage of Mr.

ly by media enthusiasm, in my opinion," said Nelson Polsby, a political scientist at the University of California at Berkeley. "I think there will come a point where this In fact, one of the cantionary will become a two-party race again, notes of the last month is how the way one would normally ex-

Clinton's Strategy: Stick to the Issues

By Gwen Ifill New York Times Service

LITTLE ROCK, Arkansas - Taking advantage of the fruits of discipline, circumstance and political serendipity. Governor Bill Clinton of Arkansas is ready to enter the Democratic Party's nominating conventing next Monday in the best strategic position he has enjoyed since his checkered presidential campaign began.

Mr. Clinton used the long Independence Day weekend to consider his vice presidential selection and to inrmulate a general election campaign that presents him as the most substantive and changeoriented candidate in a three-way race.

Recently, the campaign has had some success. Mr. Clinton and his aides are convinced that they succeeded in turing the White House onto their ground last week when rising unemployment statistics forced President George Bush to defend his handling of the econo-

my.

The day before, the president had taken the unusual step of submitting to random questions from White House murists on a live television talk show - an approach used to advantage by both Mr. Clinton and Ross Perot, the undeclared independent candidate.

The mood of the electorate is very different today than in 1988." said Paul Begala, a Clinton strategist. "That's the whole thing George Bush doesn't get."

The Climton camp's goal is to keep the debate centered on the economy and on an agenda of debatable specifics on topics like education and health care that will put the Bush-Quayle campaign nn the defensive and contrast Mr. Clinton's details with Mr. Perot's

If this approach succeeds, it will allow Mr. Clinton to campaign for president on the terms be has long sought. Instead of answering questions about his character and his behavior, be will be debating the issues he is convinced voters want to hear more about.

"The one thing that's been clear throughout the 1992 campaign has been that people want real answers, ant political ones," Bruce Reed, the deputy campaign manager for policy. "And what most frustrates them about politics these days is that politicians say or dn whatever it takes to get ahead instead of telling them honestly what they plan to dn when they're president

Mr. Clinton and his campaign staff are benefiting from the strategy they chose at the end of the primary season. They decided not to attack Mr. Perot, who was then surging in popularity polls, predicting that such a battle would make them look worse instead of

"We swore almost a blood oath that we would spend June talking about Bill Clinton and that we would not join in any political fight with either George Bush or Ross Perot," said Stan Greenberg, Mr. Clinton's poll taker. "We now have an audience." Much of the Democrats' post-convention strategy is closely held.

But the one clear strategy reflects the lessons they have learned. "You come out of the convention campaigning hard and never let up," said George Stephanopoulos, the campaign's communications director.

Haiti Must Brief Taste of Democracy Has Soured Mongolians Move Fast, U.S. Warns

By Lee Hockstader and Douglas Farah

Washington Past Service
PORT-AU-PRINCE, Haiti —
As Haiti's economy sinks under the weight of a crushing international trade embargo, frustrated U.S. officials are pressing the country's ousted president and its new army-backed leader to solve Haiti's polit-

The new U.S. policy comes amid a growing sense here that Haiti is approaching a breaking point that it will not be long before the suffering and despair wrought by a buckling economy and political stalemate set off a new wave of political violence or widespread

The United States and other countries imposed the ban on trade with Haiti, the bemisphere's poorest nation, after the army deposed the populist president, the Rever-end Jean-Bertrand Aristide, in a violent coup last fall.

In June, after months of uncertainty, the army and its political allies installed Marc L. Bazin, a 60year-old former World Bank economist with good connections in Washington, as prime minister. They hoped that he could use his contacts to end the embargo and Haiti'a political isolation. The presidency was left vacant. Since Mr. Bazin was chosen June

the United States has begun what amounts to a two-pronged policy to push Father Aristide and the army-backed elite toward the negotiating table.

U.S. Customs agents and the Treasury Department, acting on an executive order by President George Bush, have tightened en-forcement of the trade embargo. They are searching vessels bound to and from Haiti, seizing contraband and pressing international shipping firms not to do business with the island nation.

While merchandise of all descriptions is still reaching the country, the U.S. action has further pushed up already high prices, raised social tensions and left Mr. Bazin with little room to maneuver.

Most analysts here say that Mr. Bazin probably has no more than six months to find a solution before the army loses patience. "If he doesn't deliver, he is useless to them," said a Haitian economist.

At the same time, U.S. officials said, the State Department has pressed Father Aristide to bargain with Mr. Bazin and dropped nonetoo subtle hints that if he passed up this "important window of opportunity," the United States may drop or ease the embargo.

By Nicholas D. Kristof

New York Times Service
KARAKORUM, Mongolia — Adiya's
larder is empty and his much-patched trousers have split open, revealing an expanse of
equally sorry underwear, but his clothing is
not nearly as tattered as his illusions about

Two years ago, when a democratic revolu-tion swept across Mongolia as well as most of the Communist world, Adiya expected that life would improve. But these days, as he scours this dusty town for bread, butter and clothing, often unable to buy even what his of the economy. ration card entitles him to, he has been shorn

"Democracy is to blame," said Adiya, 55, an electrician who like most Mongolians uses only one name. "I think the democracy forces made a mistake by privatizing everything and by allowing uncontrolled free en-

Such disenchantment helped the former

Communist Party win a crushing victory in parliamentary elections in late June, 70 seats to 6, defeating parties advocating swifter moves to democracy.

The main reason for the crisis is that Mongolia, a sparsely populated nation of 2.1 million between China and Russia, had depended for decades almost entirely on its Communist allies in Moscow.

Known as the unofficial 16th Soviet republic, Mongolia conducted more than 90 percent of its trade with Russia and Eastern Europe, and Soviet assistance was a bulwark

With the collapse of the Soviet economy, Mongolians now find themselves unable to nbtain oil, medicine and spare parts.

As a result, the transition to a market economy is even more painful on the Mon-goban steppes than in many other former Communist countries. Mongolians are not only tightening their belts; in some cases,

Because of vitamin C deficiency, scurvy is another 27 percent in the first five months of Informality Is Keynote 1992. have rickets. Half of the pregnant women are anemic, and the proportion of newborns weighing less than 2.5 kilngrams (5.5 pounds) has doubled to 10 pounds. again becoming a problem among older peo-ple, while about 12 percent of children now Gar

pounds) has doubled, to 10 percent. In the industrial sector, production in ome sectors is 50 percent to 80 percent below 1990, and many factories find themselves unable to obtain raw materials. The consumer price index rose 79 percent in the

first five months of the year.

The rate of decline of the Mongolian economy could have brought this country to collapse if there had not been financial assistance from international finance organiza-tions as well as donor countries," said the

But Mongolia still has no money to buy from other countries and few products it can export to accumulate foreign currency. Exports plummeted 55 percent last year and and the difficulty of getting supplies.

"We've lost the humanity that used to exist among people," he said. "And Mongo-lians have lost interest in working. Even I

have that feeling. Personally, I think we should have moved to a market economy

"Before, we used to enjoy working," he added. "I'm a radio technician, and I participated in six exhibitions. But now people with no skill — traders and businessmen — they live better than those of us with skills."

Distaste for entrepreneurs helps explain wby relatively few Mongolians have started their own shops or businesses in the last two years. Other reasons are the lack of an entrepreneurial tradition -- herdsmen were sup-

Patten in Hong Kong:

LONDON - Chris Patten, the former Conservative Party chairman, signals a change in style when he takes over Thursday as probably the last British governor of Hong

In London: the lifelong politi-cian hinted that his would be a more populist administration. It is important for the governor, he said, to "take the lead in having public support for his policies."
The governor-designate prom-

ised a "more accessible and infor-mal" style, eschewing the ornate official uniform of the colony's governor, with its white plumes and olden braids. "I'd like to arrive in Hong Kong lonking very much the same as all those who daily go to work there and who make it one of the economie wanders of the

On specifics, however, Mr. Patten was far less forthcoming. He said he intended to devote his first few months in Hong Kong to dis-cussions with political and business figures and to a careful assessment of the situation. Only in October, when he addresses the colony's Legislative Council, will he be prepared to outline policies to guide Hong Kong until it is handed back to China in 1997. He reiterated the British govern-

ment's pledge to review Hong Kong's progress toward democrati-zation ahead of the colony's 1995 And on the subject of the cur-rently stalled discussions with Chi-

na over the construction of a new \$14.4 billion airport, Mr. Patten insisted that its completion was in the best interests of not only Hong In contrast to Mr. Patten's pre-decessor, Lord Wilson, the aca-demic Sinologist and diplomat who in recent years found himself under increasing attack for being overly sensitive to the political needs and

gested he would be more willing to be a strong advocate of Hong Kong's interests. For those who worry that he

lacks the experience of foreign affairs in general and Chinese affairs in particular, Mr. Patten seized the opportunity at a press conference Saturday to point out that as a junior minister in the Foreign Office and elsewhere in his career he had had direct dealings with the Chinese. He cited his recent negotiating of a concessional financing agreement with China as proof that it is possible to disagree without causing offense, much less engen-A relaxed and even jovial Mr.

Patten defined himself however, as one with a marked preference for comity. "I want to get on with ev-erybody; that is why I went into politics," be said, jukingly.

Business

AMERICAN TOPICS

Violence Increases In U.S. Courtrooms

American courtrooms, designed as settings for peaceful resolution of conflict, increasing-ly are prone to violence, prompt-ing renewed calls for tighter se-

When a gimman opened fire in a Fort Worth, Texas, courtroom last week, killing two lawyers and wounding two judges, it was the sixth such incident this year. "I believe we're all vulnerable, all of us in public service today," the Fort Worth police chief, Thomas Windham, said after the shootings. "We try to operate in a

manner to be accessible. We

can't lock ourselves away from

the public." Robert Payant, dean of the National Judicial College, a non-profit organization in Reno, Novada, that trains judges in court-room procedure, said, "We appear to be an increasingly vio-lent society, and our institutions that heretofore have been kind of immune to violence are no longer

The National Conference of State Trial Judges advises courthouses to use metal detectors and X-ray machines, standard at all 353 federal courthouses. But the cost deters some inrisdictions - about \$29,000 for an X-ray machine and about \$4,000 for a metal detector.

Short Takes

in the letters column of The New York Times, Janet Bode of New York writes that on a busi-

ness trip last November she checked into a Los Angeles hotel. Minutes afterward, "the phone in my room rang. A voice said: This is the front desk. There's been a report of a leak on your floor. Before you settle in, we're sending a maintenance man to check it.' I bought the con. I opened my door. The man stuck a gun in my face." She said that she was pistol-whipped and

The University of Arizona's Garbage Project, which has sorted through a quarter-million pounds of garbage in the past two decades, has found that only 5 percent of much-maligned pre-pared food — microwave dinners, takeout food and packaged soups — ends up in the garbage as food waste. The food category with the most positive public profile, fresh produce, also is the biggest contributor to food waste: 35 to 40 percent of it ends up as garbage. This figure does not include thrown-away portions of produce that aren't really waste—rinds, peels, skins and so on, which constitute a considerable category unto them-

Parents with computers can now log outo an electronic bulletin board that offers an array of child-care information. The service, initiated by New Parents Network, a nonprofit organization in Tucson, Arizona, began in May, 1991, and has generated hundreds of thousands of calls from parents, hospitals and social service agencies. It offers information on such subjects as government-recalled toys or car seats, immunization, nutrition and what to do if a child has swallowed poison.

How to reply to the bore who asks, "Are you busy Saturday?"

he or she is proposing? Ann Landers, the advice columnist,

suggests a noncommittal "How thoughtful of you to call. What

Margot Perot, wife of Ross

Perot, the undeclared presiden-

tial candidate, took a fling on Broadway as an angel. "I had asked Ross if I could do that,"

she told The Washington Post, and be said, You know, that's

the worst possible business you

can ever imagine if you want to

make money. But, if you just want to do it 'I said, 'Well, I just want to do it.' " So Mr. Perot

gave his wife a piece of the action

—amount unspecified —for her birthday. The show she picked was "Crazy for You." It opened

to rave reviews in February, has

won Tony, Drama Desk, Outer

Critics Circle and Helen Hayes

awards and is still packing them

in. Broadway sources say Mrs. Perot will have no trouble re-

couping her investment - and

Dan Quayle is not the only

prominent politician to spell po-

tato as potatoe. So did George

Washington, according to a

spokesman at Ferry Farm, site of

Washington's boyhood home

near Fredericksburg, Virginia. In May, 1787, Washington wrote

planting instructions that includ-

ed, "When the Potatoe vines had

risen 6 Inches through this bed of

straw "The Oxford English Dic-

tionary says the accepted spell-

ing has been potato as far back

as 1587. A spokesman for Mr.

Quayle said, "We're delighted to

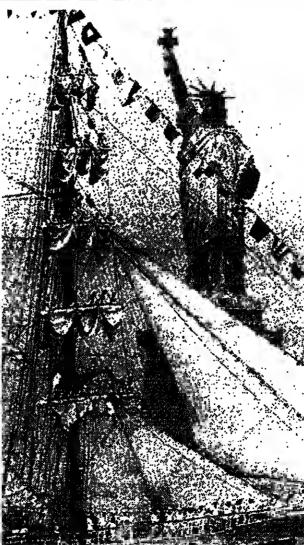
see he's in such fine company."

Arthur Higbee

do you have in mind?"

About People

first deputy minister of the National Devel-



AT LIBERTY IN NEW YORK - A tall ship from Colombia sailing past the Statue of Liberty in New York harbor. The ship was part of a flotilla celebrating the 500th anniversary of Christopher Columbus's voyage to the New World in 1492.

dering "public controversy."

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So Many Ethnic Wars

nate over the ethnic war now raging in Moldova between Romanians and Slavs.

Until recently, few outsiders had heard of Moldova, let alone its rebellious Trans-Dniester region, bordering Ukraine. But fierce fighting in this former Soviet republic has already cost more than a thousand lives. uprooted more than 20,000 refugees and drawn in elements of the Russian Army.

While President Boris Yeltsin seeks a peaceful solution, other Russian politicians prefer inflammatory speeches. All Europe has a powerful stake in preventing Yugoslavia-like carnage. And all Europe now has a chance to address ethnic conflict starting Thursday, at the Helsinki meeting of the Conference on Security and Cooperation in Europe, which President George Bush will attend.

The conflict between Moldova's Romanian majority and the Slavic minority east of the Dniester River has deep and bitter roots. Fifty years ago, following his pact with Hitler, Stalin seized the Romanian areas. Later, Nazi advances restored them to Romanian fascist control.

Later still, Stalin recovered his prize and merged it with a slice of the Ukraine east of the Duiester to create Soviet Moldovia. This became independent Moldova after the collapse of the Soviet Union.

One Yugoslavia is enough for any continent. Europeans cannot afford to procrastions by horrific persecutions, alternately victimizing Romanians and Slavs. But the present generation need not repeat the bloody past. A more humane approach to this and other ethnic conflicts through Eurasia would begin by ratifying inherited borders regardless of earlier aggressions, while establishing external guarantees for minority rights. That formula need not be hopelessly utopian if the Helsinki summit moves quickly to implement pending proposals.

The Netherlands calls for a new high commissioner on national minorities with power to monitor minority conflicts throughout the continent and take action to resolve them. France proposes a European Court of Conciliation and Arbitration that would make binding, enforceable decisions. Britain wants to discuss international intervention into the internal affairs of member states to prevent armed conflict. NATO and the Western European Union offer to

and the Western Endopean Combin order to lend forces for this purpose.

A system for controlling minority conflicts could help not only in Moldova but in enclaves like Nagorno-Karabakh, Nakhichevan and South Ossetia in the Caucasus, and in the republics of the former Yugoslavia.

The future security of Europe depends on the principles to be discussed in Helsinki.

-THE NEW YORK TIMES.

Locking In the Russians

At Severomorsk, in Russia above the Arctic Circle, the Russian and American navies are conducting their first joint exercise. It is one more welcome event demonstrating the reversal of decades of Soviet-American bostility and confrontation, and it reflects a broad popular and official turn.

It is so, nonetheless, that the broadening of professional ties between the military establishments of the United States and Russia has not proceeded as far and fast as it might. Part of the hesitation lies in institutional conservatism, which is what you might expect from bureaucracies that spent the Cold War contemplating the worst the other might be capable of. Part also seems to reflect a touchiness that developed in the Pentagon after the former Soviet chief of staff, to whom his American counterpart had extended a friendly hand, supported the anti-Gorbachev coup in August.

Still, there is a serious double purpose in extending ties to the Russian military —and to the military establishments of other countries of the former Soviet Union. The first purpose is to consolidate a mature security

Russia and the United States - that remain the most powerfully armed in the world. The other is to engage with a crucial element of the post-Soviet power structure at a moment when that element is under huge stress, in order to help lock it into democracy.

At their meeting last month, George Bush and Boris Yeltsin made a commitment to a broad partnership, military, strategic and otherwise. The upbeat new Charter for American-Russian Partnership and Friendship largely assumes common interest across the board. That seems generally a safe and comforting presumption. But it would be sorely tested if the new Russia reverts to an old-fashioned imperial attitude toward the other former Soviet republics, toward ethnic Russians living in those other republies or toward the role of the military and militarism in Russian society at large. The more the Russian military can be exposed to the ways of armies that are accustomed to working in a modern democracy, the less likely any such negative development will be.

- THE WASHINGTON POST.

To Jolt the Economy

The sharp jump in unemployment in June, following a similar spike in May, shakes confidence that the American ecouomy is improving. Monthly unemployment data can be unreliable harometers, but the new numbers follow a worrisome trend. Home sales, durable goods orders and conarmer confidence are all off. Two months ago, people worried that the economy was not picking up enough steam. Now they fear it is slipping back into recession.

These figures do not portend disaster. But they do warrant corrective action by Washington. The Federal Reserve did what it could Thursday by lowering interest rates another notch. But few economists believe monetary policy can do enough soon. The economy needs another punch, from Congress - a quick-hitting combination of

temporary tax cuts and spending increases. The economy needs a quick shot of adrenaline. But the idea that Congress and the White House would join to deliver it is nearly unimaginable.

The economy seemed to be recovering nicely in the first quarter, growing by nearly 3 percent. But then output slackened, hastened by a fall in exports to sluggish economies in Europe and Asia. Unemployment rose 0.3 percent in May and then again in June by an equal amount. Now the rate stands at 7.8 percent, representing more than

10 million Americans who cannot find jobs. The Fed responded to the jobless figures immediately by lowering short-term interest rates to their lowest levels in decades. There may still be room for the Fed to do more, but its options are limited. If it becomes too aggressive, bond markets will shiver. Fearing inflation, traders will drive rates higher - the opposite of what the Fed would be trying to accomplish. The Fed has cut short-term rates almost 30 times since the recession began, yet long-term rates the ones that affect business investment - have hardly budged.

That puts the onus on Congress. In December, Robert Solow, the Nobel laureate economist at the Massachusetts Institute of Technology, and Francis Bator of Harvard called on Congress to cut taxes and raise federal grants to state and local governments for one year. The idea was to boost the economy temporarily and thereby ward off recession. The key word was temporary. That way the plan would not raise longterm deficies and, therefore, do no longterm harm. Had Congress listened, millions more Americans would not now be collect-

ing unemployment checks. The Solow-Bator plan made sense last winter. It still does. But though the skies look darker. Washington still is not listening.

-THE NEW YORK TIMES.

Mexico: Making Amends

The U.S. government has repaired at least part of the damage done last month when the Supreme Court decided that the American-sponsored kidnapping of a Mexican citizen did not bar his trial on criminal charges in California. Humberto Alvárez Machain, a Guadalajara doctor, had been sought in connection with the torture and murder of a U.S. drug enforcement agent, Enrique Camarena Salazar. Instead of operating within the 1978 extradition treaty, the U.S. government set up a kidnapping. An outraged Mexico immediately ended virtually all cooperation on drug investigations. The Mexicans were right to condemn the breach of international law, and last week the governments announced some new understand-

ings about cross-border kidnapping.
In the fall, the U.S.-Mexican Binational Commission will review the extradition treaty and perhaps amend it to provide assurances that neither country will abduct persons in the other's territory. Both nations now recognize that such kidnappings are extraditable offenses. Both promise to discourage state and local officials from

attempting to use the tactic, In addition, President George Bush has sent a letter to President Carlos Salinas de Gortari pledging that his administration will not conduct, stimulate or permit such kidnappings in the future." Mr. Salinas will seek a change to the penal code enabling his government to prosecute for treason any Mexican who cooperates in such a crime.

Canadians have also demanded assurances that their extradition treaty with the United States will be respected. Other nations are sure to want clarification. At this point, Mr. Bush's pledge to the Mexicans applies to that country only. To the rest of the world, the U.S. government simply says that before a kidnapping is attempted, an interagency consultation will take place to make law enforcement groups consider foreign policy implications.

That is not good enough. The policy is destructive of international comity and invites retaliation. America's reputation as a proponent of international order and the peaceful resolution of disputes is at stake. Every nation should be assured, as Mexico now has been, that the spirit as well as the letter of its extradition treaty with the United States will be faithfully observed.

- THE WASHINGTON POST.

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OPINION

These Smaller Pieces Aren't Better Places

By Leslie H. Gelb

N EW YORK — Around 1776, there were about 35 empires, kingdoms, countries and states in the world. By World War II the number had doubled to roughly 70. And that figure almost doubled again to more than 130 in the late 1960s. Today some 190 entities are generally recognized as sovereign nation-states.

It is debatable whether these new entities have behaved better than the cruel and distant empires they displaced. Most nation-states, in any event, have been a curse - to their own people, especially to minonties, and to one another, oppressing their citizens and preying on their neighbors.

The main problem with almost all modern states is that they were founded on principles of exclusion - nationality, religion, culture and language. The United States, which cut the path to national selfdetermination and statehood with its Declaration of Independence, promised much better.

The state that sprang from this document was to be a vessel for representative government and protection of individual rights, not a vehicle for race and religion. With notable and awful exceptions, America has mostly lived up to these aspirations and acted mostly as a peace-loving nation. Until other nation-states strike a

better balance between the reasons for statehood and the rights of individuals, national self-determination will remain more curse than blessing. At first, the new nation-states seemed as if they would be a bless-ing. National self-determination

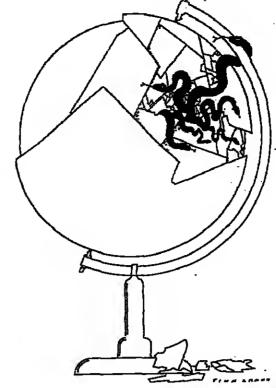
appeared to be the first claim of those seeking individual liberties and popular sovereignty in 1776. The French revolutionaries in 1789 wanted to transform France into a pedestal for liberty, equality and fraternity. The liberals who ignited the revolutions of 1848 also dreamed about realizing liberties through new nation-states. Napoleon was quick to appreci-

ate the awesome power of nationalism, of democratic bordes, to make war. He did so triumphantly until he overextended himself — and until others also learned to harness patriotism. But conservatives soon learned to separate nationalistic fervor from national self-determination and to bind the power of nanonalism to their ambitions.

Liberals, nonetheless, continued to pray for national independence. They equated liberty for the individual with liberty for nationalities. They believed that if each nationality had its own state, then all would be satisfied and live in peace. Wilson put those principles into practice in the 1919 Versailles Treaty. But many of the new states that resulted from the treaty honored neither liberty at home nor peace abroad.

Yet Americans in particular would not abandon the theory. After World War II, Franklin Roosevelt and Harry Truman compelled the European empires to shed their colonies. The two presidents believed that by eliminating empires, they would eliminate the main cause of wars.

But again, the new small nationstates proved no more democratic or peaceful than the old empires. The



By GRAFF in Dephases (Osto), CAW Syndicate.

er-wielders without adding protec-

number of wars has probably averaged several dozen per year for the last 30 years. And few of these former colonies became constitutional democracies. Hope, however, surged again in the last few years as the Soviet empire collapsed, and after its constituent national parts pledged themselves to free elections.

Philosophical liberals deluded themselves once more into thinking that national independence and individual liberties could be easily reconciled, this time by "free elections." This time, conservatives joined them in the self-deception. Elections did not improve matters in most places. Instead, they gave legitimacy to pow-

tions for individual rights. It is past time for Americans and others to abandon the worship of

national self-determination, the be-lief in the unity of national self-determination and individual liber-ty, and the fascination with elections as a cure-all. The signers of the Declaration in 1776 understood that personal freedom and rights were more important than national independence and were indeed the purpose of independence - and that individual liberties and rights were the much harder of the two dreams to realize.

The New York Times.

The Tokyo Actor Should Come Out of the G-7 Wings

By Kenneth S. Courtis

TOKYO - When he came to office in October, Prime Minister Kiichi Miyazawa likened himself to an engineer in the cab of a locomotive that would pull the world economy to new growth. Since then, Japan's economy has steamed straight to recession.

With difficult midyear elections only three weeks away, bitter trade conflicts ahead, and continued heavy pressure from the United States, Japan has had to scramble all the way to the summit of leading industrial powers that begins Monday in Munich, The recession has begun to gnaw at Japan's confidence. Although largely

have generated a towering mountain

of nonperforming debt. The financial

Questions are being raised, in Ja-

pan and abroad, about the continued

vitality of the economy; some even

question its viability. Bankruptcies, already running at record levels, are set to climb higher. So tight is the

squeeze that new bank lending has

actually contracted over the past

year. Japan, with unprecedented

trade and current account surpluses,

has become a major importer of capi-

tal. When the world's leading surplus

economy swings the flow of long-

term funds to itself, trouble for the

global economy cannot be far away.

Munich are not essentially economic.

The current recession will eventually

be seen as a necessary corrective after

excessive expansion. Japan today

constitutes two-thirds of the entire

economy of Asia. Its economy is

twice the size of Germany's. The re-

cession is allowing Japan to purge itself of the speculative excesses of

the 1980s and trim down to a rock-

The real challenge Japan faces is

whether it can assume a broader and

hard competitive core.

But the problems Japan brings to

system appears to be staggering.

its enormous power positively to deal with the

realities of an ever more complicated world.

policy-induced, the equity market that Japan brings to the summit. The

crash and the fall of real estate prices result is not only great unfulfilled

bolder role on the world stage, one commensurate with its economic might and geopolitical potential. When contronted with issues of crit-

ical international importance, the country's leadership frequently appears almost paralyzed. Japan seems unwilling or unable to use its enormous power positively to deal with the realities of a more complicated world. A similar and equally pervasive blockage of leadership characterizes the Japanese domestic political system. It is this debilitating contradiction

promise and aimlessly squandered

potential; it is also that other nations

are permitted, or led, to assume re-

Three issues are central to the de-

bberations in Munich: the stabiliza-

tion of an increasingly volatile situa-

tion in the former Soviet Union and

its crumbled East European empire;

global economic growth; and trade.

On all these issues, the world would

benefit immensely, as would Japan,

were the country to assume an active

In the 32 months since the Berlin

Wall fell. Russia has moved from the

core of the evil empire to membership

fundamentally, Japan has remained

frozen in another time. North Ameri-

ca is bobbling under a debt burden

that results partly from the military

effort of the past four decades. Eu-

rope is creaking under the monetary

strain of large-scale financial support

for Eastern Europe. Yet Japan, with a net annual public surplus of \$130

billion, is missing a key opportunity to move the world a big step ahead.

Japan derives great benefit from

Yet while the world has changed

and positive leadership role.

in what is now a de facto G-8.

the means to fulfill.

Japan seems unwilling or unable to use

though Tokyo continues to invoke the dispute about a handful of islands dividing Russia and Japan, this matter alone can no longer justify such complete policy inertia. Rather than clutching an anachro-

nism, Japan should help pay the cost arsenal of the former Soviet Union. Having so successfully converted its

own command economy and war ma-chine after World War II into the eco-nomic strength of today, Japan could draw on that experience to aid the floundering economics of the Com-monwealth of Independent States and Eastern Europe. Had Tokyo already done or much of the ways of the colleges done so, much of the present explosive risk could have been avoided.

Even if Japan's territorial differences with Russia justified inertia, there are some 20 other states in the CIS and Eastern Europe with which Tokyo has no dispute. Why, it should be asked in Munich, doesn't Japan sponsibilities that they do not have help these countries?

With the exception of Germany, all the leading economies find themselves caught in the bruising jaws of recession. Even Germany's economy is slowing. At the G-7 meeting last year, Japan committed itself to a 3.5 percent growth target for 1992. But over the past six months, as its economy has ground to a halt, policy authorities, apparently misreading the dynamics of recession, have stood largely on the sidelines. As a result, rather than sumulating global expansion. Japan has in effect drained growth from the world economy through its mushrooming trade and

current account surpluses.

In panic conditions and under tremendous U.S. pressure, Japan has agreed to prepare a hefty new stimuhis package, but it will not be implemented before fall. Having left things so late, Iapan will have to bring in such a large supplementary budget that the effect may will be to push interest rates higher.

Such a development would send the Japanese stock market still lower. That

would raise the risk level of the Japa-nese banks, and further curtail their lending. In turn, that would put upthe collapse of the Soviet Union. Alward pressure on global interest rates, deepening the deflationary dynamics at work in the world economy.

To reduce such risks, Japan must nitiate comprehensive reform of its domestic economy, beginning with the tax structure, the land market, and distribution so as to generate noninflationary, consumer-centered demand from within. It is urgent that Japan manage its domestic economy from a much broader international perspective than in the past.

Leadership is also central to resolv-

ing trade problems, the third item on the summit agenda. Japan continues to shirk an active leadership role in moving the Uniguay Round of global trade negotiations to a successful conclusion. Japan's trade surplus this year is on track to reach \$135 billion, more than three times its level at the time of the Plaza Accord in 1985. The accord was intended to send the surplus into long-term decline by boost-

ng the value of the yen. Trade officials in Tokyo are fond of asserting that the country's surpluses represent Japanese savings on which the rest of the world can draw. But a country that runs a long-term, structural current account surplus is one that is structurally underconsuming. Consumption represents 56 per-cent of Japan's GNP, compared to 64 percent in the European Community and 68 percent in the United States. And Japan's huge surpluses are not recycled to the world economy in a neutral manner. They are reinvested in line with the strategic interests of the Japanese companies that control them. That is as it should be. But left unaltered, this will lead to disruptive, macroeconomic policy measures beworld markets. That is a deadly game

that no one can win. Although the core issues in Munich are vital for the health of the world economy, each is fundamentally political and requires the active leadership of Japan for resolution. It is in that question of leadership, or more accurately its absence, that lies the essential issue of Japan at the summit.

The writer, strategist and senior economist for the Deutsche Bank Group in Asia, is chairman of the post-graduate School of International Studies in Tokyo. He contributed this comment to the Herald Tribune.

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Volunteers ' For a Real Peace Corps

By Stephen S. Rosenfeld

WASHINGTON — The delay, first in Croatia and now in Bosnia, in getting peacekeeping forces into Yugoslavia is extremely harmful and is symptomatic of a broader dilemma of diplomacy in a democracy — but of a broader opportunity too.

International onlockers, lacking the strategic and psychological moti-vations of the Cold War, figured they could not undertake any intervention until they had a truly compelling case to put before their publics. Otherwise they would lack or lose the domestic license to expose their soldiers to risk.

That is, the delay in Yugoslavia was not just evasion. It also had a political logic. But the cost of delay - in lives and in the spreading of the war -remains very high. The longer the delay in such circumstances, the more chancy and challenging the final intervention. The trick is to launch a timely intervention. How can the political risk of sending peacekeepers into a messy local situation be contained?

The ways of preventive diplomacy as outlined by the United Nations secretary-general, Butros Butros Ghali of Egypt, provide one set of possible responses. Whatever can keep a conflict from expanding, or can shrink it, belps.

But there is another option directly relevant to the early stages of a bud-ding ethnic or humanitarian crisis; volunteer peacekeepers. These are people who would go out on their own, for whom a political leader would not have to accept full or di-rect responsibility for putting at personal peril. It is an idea for some seasons, including perhaps the transition we are in now.

I start from the premise that there s an awful lot of idealism awash in the world today. The old prevailing determinism, the notion that a twilight struggle would continue practically forever, has yielded to a notion that governments, interna-tional organizations and even individuals can at least move things in the right direction.

Formerly, people concerned with diplomacy" or "peace" tended to regard this area of public life as being in opposition to force, as an alternative to war. Always wrongheaded,

The "peace" gang is now much more prepared to embrace the utility, necessity and virtue of applying force—to secure peace. Force in the hands of a suspect superpower was one thing; force in the hands of a worthy and enabled international

agency is another
In short, I think there is a growing number of people, in the United States and elsewhere, who would be prepared to enlist in an international peace corps. Some would do it in service of a universal principle, others m the name of national patriotism. others for reasons of their own. But the impulse is there.

Mr. Butros Ghali, urging member states to form peacekeeping forces and make them available on call, suggested that the soldiers be volunteers He had in mind the Scandinavians' practice of recruiting soldiers who volunteer for peacekeeping. It is a good idea, but why restrict this privileged duty to members of national armies? Why not open it up to private citizens as well? From wherever, they would report not to somebody's national army but directly to an international force, logically the United Nations, which would have to work up the military, logistical and financial competence to field a profession-

ine an international group of people, some perhaps from national armies, some from private life, volunteering to serve under international authority and to accept personal risks that might be too great if, say, the president of the United States had to be accountable for them?

bution of powers and responsibilities as between nation-states and international organizations. In the same spirit of a new internationalism, it may be time to start asking where individuals might fit in.

In West as well as East, the Cold War summoned citizens to serve the state. "Ask not what your country can do for you," intoned President John Kennedy, "ask what you can do for your country." Citizens can do plenty for their country. They can also do plenty for an international cause — fighting poverty, promoting conciliation, keeping the peace. The energy is there, I think, waiting to be poured into new purpose.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: The Old Drury LONDON - Another celebrated

London theatre, "Drury Lane," is likely to be destroyed in the course of a year or two, perhaps before the actual expiration of the lease. The present house stands on the site of a theatre which was existing in Shakespeare's time, originally known as the "Cockpit." This house was rendered famous by actresses Nell Gwynne, Kitty Clive and Peg Woffington, who even rendered its productions popular in New York. It is a dirty and dingy edifice, and "Old Drury" may join the category of things which never will be missed."

1917: 'One Allegiance'

NEW YORK - Mr. Theodore Roosevelt, delivering a Fourth of July address at Forest Hills, Long Island yesterday afternoon [July 4] attacked moral traitors in the person of the pacifists, guilty of treason by covertly supporting the nation's enemies. "We

must have one allegiance, one flag and one language, and that language must be English," he said. There can be no half-and-half attitude in this war. Weak-kneed apologists for infamy, it is natural for American citizens of German origin to favor Germany. This is criminal nonsense. Any American citizen feeling thus should be sent back to Germany."

1942: Tired at Alamein

CAIRO - From our New York edition:] During the last twenty-four hours between 600 and 700 dustcaked and dejected German soldiers have crossed the Alamein lines with their hands raised in surrender. They were quoted as saying they were tired and 'completely fed up.' Never before have German desert soldiers surrendered in such a number. Most were from the superb 90th Light Infantry Division. Their decision obviously was induced by hours of shell fire, infantry assaults and harassment by motorized machine gunners.

Clinton in Arkansas: A Closer Look

ARKADELPHIA, Arkansas — Senators can be studied in committee hearings or television studios, but governors must be seen in their home states to be understood. Take Bill Clinton out of Arkansas and he seems another blow-dried, smooth-talking politician. Watch him at home, in the state be has governed for 12 of the last 14 years, and you can tell he is something more than that.

seling at their home high schools and the promise of a full-minon scholarship if they go on to college.

at Henderson State, is an apprenticeship program jointly run by area high schools, the college and the Metalworking Connection, a consortium of 67 small fabricating companies. Mr. Clinton encouraged the firms to get together after discovering on a trade mission to northern Italy five years ago, that a cooperative network of small manufacturers there had found answers to many of the problems similar American enterprises face.

By David S. Broder

Mr. Clinton recently took an evening off from the campaign to look in on two programs he had helped launch as governor. The first, Youth Opportunities Unlimited, or YOU, takes at-risk 9th and 10th graders from around the state, brings them to Henderson State University here for summer English and math classes, and gives them on-campus jobs. The state finances follow-up coun-

The second program, also housed

The Metalworking Connection has tackled health insurance, workmen's compensation and marketing problems for its members and now

has launched an apprenticeship program designed to give them the

skilled tool and die makers they will need as their businesses expand. The apprenticeship program provides aspiring youths five years of work and training starting in the junior year of high school, and entry into a craft with prospects of

steady work and good wages.
The two programs are what Mr. Clinton is about - and what his national economic strategy says be would do as president. The key paragraph in that document reflects the writings of the Harvard economist and Clinton adviser Robert Reich. But it draws directly on Mr.

Clinton's experience as governor.
"In the emerging global economy," it says, "everything is mobile: capital factories, even entire industries. The only resource that's really rooted in a nation - and the ultimate source of all its wealth - is its people. The only way America can compete and win in the 21st century is to have the best-educated, best-trained work force." His message is not always so

clearly focused. Some of his advisers have tried to get him to sell just a few ideas in this campaign. But Mr. Clinton is cursed with a mind that sees the interconnections. He knows, for example, that runaway medical costs are ruining family budgets, killing small businesse and consuming state funds that could better be spent on schools. So he has to have a health plan. And to

make it credible, he has to have a tax plan and a deficit-reduction plan, and that requires a defense program and so on. So he becomes diffuse, and often seems to be trying to be all things to all people.
But come bome with Mr. Clinton
and you realize that at the center of

his presidency would be the education and training of today's youth. He spent 10 years battling to get his schools program passed and funded by the legislature. Early this year, when Paul Tsongas argued that capital investment incentives are the first priority for economic growth, Mr. Clinton insisted that investment in people was more important.

The skilled and educated will prosper, he believes, while the rest will be consigned to a lifetime of disappointments and frustrations. Disappointed and frustrated peo-ple turn on one another, Mr. Clinton says, and produce a society wracked by gang violence, and ra-cial and ethnic divisions. Those who lack skills lack hope,

and swell the welfare rolls. The most hopeless seek escape in drugs. Mr. Clinton's answer, he told the young people here, "is not telling you, 'Just say no, but finding something you can say yes to"—through programs that offer disciplined education and training and the prospect of jobs with a future. It all comes down to that for Mr. Clinton.

Instead of going to the Democratic convention in New York, maybe he should give his acceptance speech here. Then the voters might learn what he is really about.

The Washington Post.

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al peacekeeping force. Does it seem far-fetched to imag-

We have already begun the post-Cold War reconsidering of the distri-

NEW YORK — President Boris Yeltsin's dramatic and successful visit to the United States occasioned a document that seeks to give concrete meaning to the term "new world order." Titled "A Charter for American-Russian Partnership and Friendship, it could, if its ideas take hold, involve a revolutionary reordering of global relationships that should not be imple-

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mented without a full debate. True, statements of principle are rare-ly implemented literally. But they do reflect a state of mind and hidden assumptions that shape long-term policy.

The most significant premises of the charter are that, with the end of communism, no geopolitical issues remain be-tween the United States and Russia and that the spread of democracy will guar-

antee permanent peace. Russia is assumed to share identical goals with America, making possible a strategic partnership" between the two powers "in the international arena, in

OSLO — Ever since the destruction of Hiroshima and Nagasaki, nu-

clear test explosions have served as a

constant reminder of the threat to mankind's survival. For years they were also seen as a manifestation of

the nuclear arms race and of the com-

petition between the superpowers for

world hegemony. That competition

has now been replaced by cooperation,

and by nuclear disarmament mea-

sures; which must be described as

nothing less than sensational. The time

is now ripe for considering an end to

Nuclear testing is on the decline. Last year, there were fewer test explosions

than anytime in the last 30 years. The

main argument for a comprehensive

test ban treaty is no longer the need to

halt the arms race among nuclear weap-

ons states. Today, the overriding con-

cerns are the environmental effects of

continued testing and the dangers of

Public concern over nuclear testing

peaked between the mid-1950s and

1963, a time when large thermonuclear

tests in the atmosphere were causing significant radioactive fallout.

series of Soviet-tests at Novaya Zem-

lya, not far from the Norwegian bor-

der. Public concern led to the Partial

Test Ban Treaty in 1963, which

banned nuclear explosions in the atmosphere, outer space and underwa-ter. The treaty did not cover under-

ground nuclear explosions, and its

main effect was to move nuclear weap-

But there has been radioactive leak-

age into the atmosphere at all major

ons testing underground.

Among the largest explosions were a

nuclear proliferation.

By Henry Kissinger

the interest of advancing and defending Are these premises valid? Is it prudent

to base policy on the assumption that an evolution barely three years old has al-ready reversed a pattern of centuries?

The collapse of the Soviet Union is surely the seminal event of our time, and the Bush administration has handled it with consummate skill. But the nature of what is to replace it is still unsettled. Other established patterns of global relations are bound to change. We must take care not to foster principles of world order that unintentionally encourage a cycle of instability, even violence, and constrain the evolution of newly free countries.

American leaders have generally justified their policies by universal, often legal, principles rather than by national rest — the last time during the Gulf

Exploding the Case for Nuclear Testing

By Helga Hernes

The unthor is state secretary in the

Norwegian Foreign Ministry.

cases it has been detected across bor-

ders. In a particularly serious incident

in the United States, radioactivity vent-

ed from a Dec. 18. 1970, test in Nevada

At the Semipalatinsk test site in Ka-

zakhstan, many people appear to have

been exposed over the years to signifi-

cant doses of radiation after venting.

An Aug. 2, 1987, explosion at the No-

vaya Zemlya test site in the Russian Arctic produced radioactivity that was

The Nordic countries have been es-

pecially concerned about the effects of

continuing testing in the fragile Arctic

environment around Novaya Zemlya.

A comprehensive test ban would end

Such a ban also would pot interna-

tional pressure on those countries that are close to nuclear capability (but

which are not part of the Nuclear Non-

proliferation Treaty) to forgo the nu-

clear weapons option. Further, a com-

prehensive ban would help build

confidence and strengthen the growing

conviction about the uselessness of nu-

clear weaponry for the security of na-tions. It would also provide tangible

proof that the nuclear weapon powers

have decided to proceed from quanti-

tative cuts of their arsenals to qualita-

tive constraints. And savings would be

substantial; the cost of a single nuclear

weapon test explosion is estimated at

Many arguments have been made to

\$30 million to \$100 million.

was registered in Canada.

detected in Scandinavia.

additional contamination.

whelming ideological and geopolitical dan-ger, and much of the world feit threatened. But with ideological fires banked and global threats diminishing, the problem of world order has changed. The United States must mute its undifferentiated globalism. It must learn that it cannot involve itself in every crisis. It must

peripheral. Russia, struggling with the end of centuries of imperialism, must not be tempted to reverse that process. In its approach to international security, the new charter seems to move in the opposite direction. The tone of the document is redolent of a global Rus-sian-American condominium. Russia is called a "strategie partner." In addi-tion, "the United States and the Russian Federation will unite [emphasis added] in their efforts toward strength-

ening international peace and security, preventing and settling regional con-

support the development of new nu-clear weapons, to ensure confidence in

the nuclear stockpile and to improve

the safety and security of nuclear

weapons. There is ment in some of

these. But they must be weighed care-

fully against the arguments for a com-prehensive ban. The arguments

against a bun are considerably weaker

than they were three decades ago.

A comprehensive han would need to

be accompanied by a global verification

system. The principal component of such a system would be an international

monitoring network of sensitive seismic

stations. We have the means at our disposal for such inspections. What is

needed now is political will among the

nuclear weapons states to further limit

their own testing and decide on a date

This is the main conclusion of a study

on questions related to a comprehensive

ban prepared recently by a group of

renowned international experts at the

miniative of the Norwegian Foreign

Ministry. A ban would severely con-

strain, if not render impossible, the de-

velopment of new designs of nuclear

weapons by the nuclear weapon states and the manufacture of nuclear weap-

The Russian moratorium on nuclear

tests and the French decision to ab-

stain from further testing this year are

laudable, of course. But earlier mora-

toriums on test bans have been of

limited duration. If such unilateral

steps are not followed up by other

countries, there is growing pressure to resume testing. The aim must there-

fore be to secure a negotiated perma-

neht global test ban.

ons by non-nuclear weapon states.

for a ban, say the mid-1990s.

War. This approach worked during the flicts, and solving global problems." Cond War because there was an overundertaking? Is it luring itself into commitments beyond its physical and psy-chological capacity? Should Russia be encouraged into a global role (which is like putting liquor before a recovering alcoholic)? Where does this leave America's allies? NATO is included only as a possible contributor to an as yet to be learn to distinguish the vital from the created "Euro-Atlantic Peacekeeping Capability." Japan is not mentioned even though the United States and Russia have pledged to cooperate in strengthening "confidence and stability in Asia and the Pacific region."

This atmosphere of condominium em phasizes the curious clause stating that the two countries abjure "the threat of use force against the territorial integrity and political independence of each oth-Could this not be read to mean that the threat of force against other countries is permitted by the charter?

Previous American-Soviet statements principle always contained clauses claring that nothing in them superseded existing obligations, or they made new mutual obligations general. The new restrictive clause, even if inadvertent, is bound to be noted.

The charter emphasizes a vast new effort by America and the Russian Federation to "support the strengthening of the Euro-Atlantic Community because security is indivisible from Vancouver to Vladivostok." When this concept first appeared in the Gorbachev era, it was the slogan of European and Soviet leaders seeking to reduce American influence and to gain maximum freedom of

action for essentially national purposes. For once everybody is allied to everybody else, existing institutions will dis solve in a vague structure incapable of joint action and therefore, in the ead,

best suited to nationalistic policies.

The Euro-Atlantic Community seems to include NATO, the European neutrals, the new East European democracies and all the Soviet successor states. The interests of all these countries are assumed to be identical and to flow naturally from their democratic domestic structures. But in the real world, can this melange be called a community? Does the phrase "indivisible security" entitle either superpower to act alone in the likely event there is no consensus, or does each side have a veto? Is the choice between hegemony and paralysis?

An unspoken premise is that all the states of the former Soviet Union, however different their culture and history. are still treated as if they were under Moscow's tutelage.
This unprecedented role for the Con-

ference on Security and Cooperation in Europe, and the phrase that "America and the Russian Federation cannot accept another phase of European instability" points up the charter's basic incompatibility with existing Atlantic institutions. Within the North Atlantic Treaty Organization, America insists on integration of strategy and policy. It opposes a separate European military

force on the ground that it weakens the integrated command. The charter, however, leaves little scope for NATO except to contribute forces and resources to the newly invented Euro-Atlantic Peacekeeping Capability, together with the Western European Union - a heretofore largely moribund grouping of states — and other countries of the CSCE.

Such a downgrading of NATO is likely to magnify European suspicions of the United States. The same is even more true of Japan and China, which are certain to consider the Euro-Atlantic Community as some kind of exclusive club directed against Asia. Similar ambiguities weaken the char-

ter's relevance to the strains produced by the break-up of the Soviet Union. In less than a year, 15 new states have emerged in that vast region. All have become members of the United Nations. The United States has established emhassies in each of them.

These new nations share some unique features. Only the Baltic states among them have known independence in the last 150 years. Hundreds of thousands of former Red Army troops remain on their territories. These come and go and maneuver without asking the perm of the independent countries. Most re-publics have been afraid to ask them to leave, and those that have dared, like the Baltic states, have received evasive replies. These troops intervene in local

The effort to shore up the Moscow government is laudable. But we need to balance the cooperation and respect to which Russia's reforms and power entitle it against the

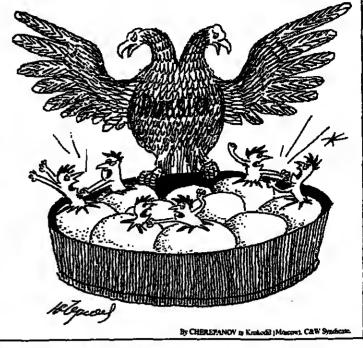
dangers of hegemony over smaller successor states.

conflicts, as they did recently in Mol-

dova and Georgia directly upon Boris Yeltsin's return from North America ostensibly to protect Russian minorities, But Russian minorities are everywhere. The Russian Empire had mixed up the nationalities by conquest, and Stalin, to facilitate central control, drew borders in such a way that no ethnically pure republics remained.

As a result, at least 25 million Russians now find themselves as minorities where they used to rule. Almost all re-publics also contain other minorities, especially in the Cancasus and Central Asia. To complicate matters further, most educated Russians identify the origin of their country with Kiev, the capi-

tal of the new nation of Ukraine. While Rossia has not directly chal-lenged the independence of the new



states, it has not fully accepted it either. Russian leaders maneuver with great per-sistence to establish themselves as the linear descendants of the historic empire rather than as an entirely new and separate state. The entry of all the successor republics into the Conference for Security and Cooperation in Europe is a measure of the success of this campaign. Russian leaders try, at least tacitly, to keep open the option of repeating the events of 1917-22, when many of the current group of independent republics attempted to break away only to be forced in the end to return to Moscow's fold.

Precisely because economic reform is certain to be painful, an appeal to the historic empire may be a tempting way to rally support. This may explain why the Russian defense minister has declared that his country will consider any troop concentration along the borders of the former Soviet Union as justifying Rus-sian intervention by crossing the territory of theoretically sovereign neighbors. Not a single Western country has commented

on this extraordinary proposition.

Such a state of affairs is potentially even more explosive than Yugoslavia, and with far greater implications for the peace of the world. If Moscow attempts to recentralize its former empire, some sort of military conflict is highly proba-ble. If it succeeds, even partially, alarm bells will ring all around the Soviet periphery, but especially in Eastern En-rope. The traditional pattern of munual fear between Russia and its neighbors will reappear. The U.S.-Russian partnership will collapse.

This may not be an aente problem so long as Russia, together with all the successor states, faces economic disaster. But as they recover, the question of whether the new charter reduces the dangers becomes relevant. Some provisions are clearly helpful, for example the reaffirmation of respect for national borders, including those of the new states. At the same time, Russia and the

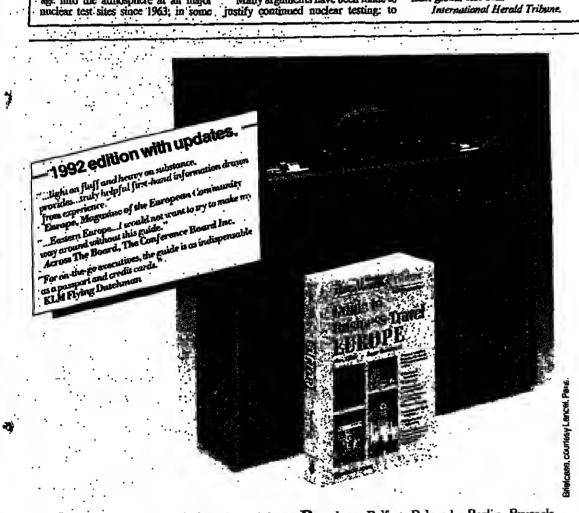
United States promise support and "leadership" to the protection of minorities and the settlement of ethnic disputes. In the code language of the region, these phrases can more readily justify intervention than restraint; socalled ethnic conflicts will be the most likely pretexts for recentralization.

The Bush administration seems to assume that liberal democracy and market economics will by themselves achieve and preserve peace everywhere. But even if true, that point will not be reached for decades.

Meanwhile, America must contribute to international stability by a foreign policy going beyond social engineering. The effort to shore up the Russian govern-ment is laudable. But we must not so idealize and personalize the relationship as to lose sight of geopolitical impera-tives. We need to balance the respect and cooperation to which Russia's reforms and power entitle it against the dangers of hegemony over smaller successor states. The deferential way Mr. Yeltsin is treated in the West, as compared to leaders of the other republics, and the fact that most foreign aid goes to Russia threaten this balance. If present IMF plans are implemented, Western policy will encourage a ruble zone whose practical effect will be to force most successor states back under Moscow's economic totelage.

The deepest question raised is whether. Russia seeking to build democracy and . a market economy without experience with either and in need of vast amounts of foreign assistance can possibly fulfill the role assigned to it by the charter. Is it wise to divert it into a global enterprise which. in the end, may keep it from even defin-ing a responsible role with respect to the internal relationships of the former Soviet Union? At the end of an evolution which the West should assist, Russia may turn. into the partner envisaged by the charter. As of now, such a role is at best premature, at worst dangerous.

D Los Angeles Times Syndicate.



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The Security Lid Is on Munich **Even Residents Urged to Leave During G-7**

By Marc Fisher

Washington Post Service
MUNICH — For months, elite German and-terrorist units and Bavarian police preparing for this week's world economic summit conference have been liberating hostages, storming jumbo jets and executing kidnappers — all m exercises staged at the Munich airport.

Summit meetings of world leaders are always security extravaganzas, but the organizers of this year's meeting have something extra to prove; this is the first major inter-national event held in Munich since the 1972 Olympic Games when 17 people were massacred after Palestinian terrorists attacked Israeli athletes.

Bavaria's interior minister, Edmund Stoiber, calls the Group of Seven meeting Munich's "greatest test for police since the Olympics." To protect the leaders of the United States, Japan, Germany,

Bush's Agenda On Continent

Following is President George Bush's schedule for the Munich summit meeting and the Helsinki meeting of the Conference on Security and Co-

operation in Europe:

Monday: Io Munieb, he meets with the Italian prime minister and German chancellor and attends economic sum-

mit meeting.
Tuesday: In Munich, be meets with the EC president and attends summit meeting. Wednesday: In Munich, be attends economic summit meeting, gives a news conference, joins other leaders in

Yeltsin of Russia and then departs for Helsinki. Thursday, in Helsinki, he attends the security confer-

meeting President Boris N.

ence and a state dinner. Friday: In Helsinki, he attends the conference and then departs for Kennebunkport.

(Continued from page 1)

in a protest over new driver license

regulations that caused chaos at the

Some foreign motorists wan-

Two people were killed Saturday

Prime Minister Pierre Beregovoy

when their car crashed into a road-

ordered the police to remove sever-

ing whenever the police showed up.

regrouping and blocking tracks

ble," Mr. Bérégovoy said in a tele-vision ioterview. "The railway

should be the way to fill the gap left

it will not use force to move the

lence in all its forms, not to gener-

ate it." said Interior Minister Paul

But the government has also said

"My role is to fight against vio-

Up to 10,000 people were strand-

ed overnight at train stations. The

state railroad company SNCF ad-

vised people to delay travel to the

southeast, and said that even when

the line was cleared it would take

several bours to get trains running

who, trying to avoid the usual sum-

mer vacation traffic jams, had put

Some farmers have supported

the truck drivers' action, and in

some parts of the country farmers

have blocked roads in recent weeks

in protest against European Com-

Mr. Beregovoy, facing his most serious challenge since be was ap-pointed by President François Mit-

terrand three months ago, insisted

that the government would not

bend to pressure over a new driver

think that blocking roads will make

the government give way," Mr.

Bérégovoy said in an interview in

20 Queries

22 Saloon

25 Unruffled

29 Provide

32 A-1

36 Hasty

21 Throw out

swingers?

23 Kind of turf or

26 Singar LaBalla

33 J.F.K. lollower

37 Phoenix rabirth

39 Poet Teasdala

There are truck drivers who

munity elimination of subsidies.

It was bad luck for vacationers

by the roads."

smoothly.

their cars on trains.

'It's absolutely incomprehensi-

dered the back roads of the coun-

start of the vacation season.

tryside, hopelessiy lost.

more than 9,000 police and paramilitary officers have been deployed in the city.

The entire city center has been closed to anyone but the 1,800 delegates and 6,000 journalists with the right tags hanging from their necks. Munich residents have been urged to leave town for the three-day af-

So worried are the Germans about a terrorist attack that they have given the police the right to arrest and hold anyone for two weeks simply by identifying the suspect as a "potential disrupter." Bavarian courts banned opponents

of the gathering from demonstrat-ing at any time during the meeting. Not only will President George Bush and his colleagues be prevented from pressing any flesh - city residents will not be able to get within six blocks of any event but opponents have been prohibited from expressing their views anywhere in Munich.

A "countersummit" planned for the local university campus was scratched at the last moment when a court blocked the program of speeches and seminars aimed at reminding leaders of the plight of Third World countries.

All seven leaders were invited to a Holocaust memorial ceremony held at the Dachau concentration camp outside Munich on Sunday, but none attended. According to the German magazine Der Spiegel, Chancellor Helmut Kohl asked his Foreign Ministry to let the other countries know that there was "no reason to recall the Holocaust and German responsibility" on this oc-

Bavarian police in recent days stormed a strategy session where summit meeting opponents were discussing demonstrations, bugged the opponents' meeting rooms and vastly increased random stops of passengers arriving at local airports

and train stations. On Sunday, sharpshooters stood on every highway overpass along the 35-kilometer (22-mile) route from airport to city. Policemen in black leather jackets guarded the highway shoulder, with at least one officer standing every 100 meters along the city stretch of road.

Journal du Dimanche." The gov-

The program involves giving six

points to all drivers and deducting

points for serious traffie offenses.

A driving ban would be imposed if

The system was introduced to try

to cut France's high highway death

rate by punishing dangerous driv-

But truck drivers say they drive

The truck protest, hitting thou-

sands of French and foreign motor-

ists, has isolated cities like Lyon

and Toulouse in the south and de-

layed the delivery of goods ranging

from fresh food to gasoline to parts

taining hazardous products in front

of their blockade and also threat-

ened to set a nearby gasoline sta-

tion on fire if the riot police moved

The prime minister said the gov-

ernment, which has used police es-

corts to deliver gasoline to some

regions, would continue to ensure

The truckers strike is having a

dramatic effect in Spain, leaving tourists stranded far from beaches

and confrooting factories with

The Seat car company chartered giant Russian-made Antonov

transport plane to haul parts from

Germany to its Barcelona factory,

which ceased production briefly

Friday after its normal supply

route through France was blocked.

the Barcelona daily La Vanguardia

believed to be stuck in the traffic

jam. About 1,500 trucks turned back at the French frontier, La

At La Jonquera, a major border-

crossing point in northeastern Spain, daily truck traffic has fallen

from about 2,000 a day to 100 or

200, the country's leading daily, El

Vanguardia reported.

Pais, reported.

About 500 Spanish trucks were

shortages of imported parts.

deliveries of essential supplies.

Militant drivers put a truck con- a road to the Atlantic coast.

migratico.

citizens.

immigration.

5 French law

a Choica canine

7 Fall sounda

g Gun and taca

body

a Conceil

chasars

11 Dacorate

13 Mil. rank

18 Lanyard

21 Sp. lady

25 Bribes

2a Dry run

34 Tito

35 Plam

a.g.

coin

26 Pretty woman

27 Almost open

30 Antagonist

33 Byron poam

37 Tha Dolomites

30 Napolaonie

39 Mixed drink

10 Western lake

12 Usa a forkad

can't shoot them."

way to protect their livelihoods.

emment will not give way."

a driver leses all six points.

ing more harshly.

of the country.

against them.

al rail barricades in southeastern more than ordinary drivers and

France. But farmers were scatter- therefore should be given more lee-

man leftist radicals, "wrong-minded ideologues," and homegrown terrorists from around the world, including the Irisb Republican Army and ETA Basque separatists. The Munich police chief, Roland Koller, estimated that 3,000 anarchists would "come streaming in" for the summit session.

About 8,000 protesters marched Saturday; the police outnumbered

The summit meeting actually consists of only 10 hours of talks among the seven leaders, but the preparation for the meeting lasts years, involves tens of thousands of people and costs about \$22 million.

Local hotels have gutted entire floors and rebuilt rooms to accommodate the visiting officials. Prime Minister Kiichi Miyazawa's room comes equipped with Japanese green tea and movies from his homeland.

The Sheraton Hotel, where nearly all of the 636 rooms have been set aside for the U.S. delegation. has added marble bathtubs to the two floors reserved for President George Bush and his immediate entourage. The Sheraton says it spent \$1.5 million to renovate and create a Munich White House; in his own two large suites, Mr. Bush will see a newly-added kitchen, library and the oversized corner

Organizers even rearranged the traffic flow so that, at the Secret Service's request, Mr. Bush's limousine will never have to be put

into reverse to park.

Mr. Kohl took the jewel of Munich's hotels, the Vier Jahreszeiten, for himself. In gratitude, the botel's kitchen took it upon itself to have its cooks learn to make Mr. Kohl's favorite dish, a concoction of a cow's intestinal bits called sauma-

If the locals feel neglected, even oppressed, by the summit meeting preparations, it is with good reason. They have been warned re-peatedly by city officials to get out of Munich during the meeting, or at least stay bome. Bus stops and even subway stations will be sealed off. construction sites stilled, cranes

Hotels along the Costa Brava,

the coasiline from Barcelona to the

French frontier, have only half the

usual number of guests, the Europa

Press news agency reported.

The economic losses will be

very serious." Antoni Lluch, presi-

dent of the Catalonia Campground

Association, told La Vanguardia.

Those clients can't be recovered.

since their employers aren't going to give them more vacation days."

BEACON:

High-Wage Lure

(Continued from page 1)

only major coovenience missing is

Road construction has pro-

gressed slowly, largely because of

Freueb fears that the road will be-

come a highway for Brazilian im-

France's recent regional elections

serve as reminders that French Guianese are full-fledged French

Attracted by social benefits be-

fitting a European Community na-

tion, local nomadie Amazon Indi-

ans routinely cross the river from

Brazil to register as French citizens.

lice officer complained about the difficulty of bolding back Brazilian

get through," said the sergeant. The Brazilians don't stop, and you

At the local gendarmerie, a po-

"For every 2 boats you catch, 10

Border teosioos increased in

April wben a Brazilian team

slipped into St. Georges, Boarding

the gendarmes' only river patrol

boat, the Brazilians cut steering ca-

bles and stole the two outboard

Oiapoque's locals admit that

smuggling illegal workers into

French territory has become a

growth industry for Brazil's north-

In town, sun-faded posters from

(AFP, Reuters, AP)



Prime Minister Kiichi Miyazawa of Japan, left, with his Canadian counterpart, Brian Mulroney, in London en route to the G-7 talks.

BUSH: President, Promising Help, Exhorts Poles to Hold to 'Right Path'

(Continued from page 1)

"We are taking a path that no ooe has ever trodden before, and it is not easy."

Apparently referring to Poland's months of political bickering and irresolution as well as its economic upheaval. Mr. Walesa maintained that "an order is growing out of this ferment,"

adding bowever, that "we oced more time."

Mr. Bush's visit, en route to the summit meeting of the Group of Seven industrialized democracies starting Monday in Munich, coincided with a moment of high emotion for many Poles because of the final funeral mass for fgnacy Jan Paderewski, the Polisb statesman and pianist who died in the United States while seeking assistance for Nazi-occupied Poland in 1941. By order of President Franklin D. Roosevelt and the wisbes of the pianist's family, his body was interred in Arlington National Cemetery "until Poland is free."

His remains were returned to Poland from Washington last week and given elaborate bonors, culminating in Mass on Sunday in War-saw's Cathedral of St. John the Baptist, attended by Mr. Bush and presided over by the Roman Catholie prelate of Poland, Cardinal

The Paderewski ceremonies last week and Bush, Mitterrand Close GATT Gap Mr. Bush's public appearances Sunday were attended by a number of Polish Americans. giving rise to Republican Party hopes for help for Mr. Bush at the ballot box in November from the 8 million Americans who identify themselves as of Polish heritage.

Mr. Bush also went out of his way to praise the contributions of Polish Americans, saying at the end of his speech in the square that "in the stockyards of Chicago, in the steelworks of Cleveland, in a thousand towns thousands of miles from this land they loved. Poles worked and worshiped and built a better life."

In private talks with Mr. Bush, a White House official said, Mr. Walesa asked U.S. help in persuading Moscow to move faster on withdrawing the dwindling number of Russian troops remaining here. Mr. Walesa was outspoken in public and private in asking that the United States remain engaged militarily in En-rope as "an indisputable factor in maintaining the balance" and a guarantee of security for all.

"We have every intention of remaining in-volved," Mr. Bush told the Polish president.

Mr. Bush and President François Mitterrand of France narrowed differences over agriculture that have stalled GATT world trade talks, Reuters reported from Munich.

Speaking after the two presidents met on the rve of the Group of Seven summit meeting, Jean Musitelli, a spokesman for Mr. Mitter-rand, said. On the key question of agriculture the positions have moved closed together and the prospect of global balanced accord is quite possible to envisage."

He said Mr. Bush and Mr. Mitterrand stressed their determination to achieve success in the talks on a General Agreement on Tariffs and Trade, which have been long stalled over U.S. demands for cuts in subsidized European Community cereals exports. They agreed n GATT deal would be one major way of boosting shiggish world economic growth.

Paris has said the recent EC farm ministers' agreement to cut guaranteed cereals and meat prices and force farmers to set aside or lay some land fallow was as far as France, under pressure from its own militant farmers, could go.

Prescott Bush's ties to Asset

sharply in the overall command

structure. That pattern could un-

dercut U.S. poblical influence in

Europe, especially if the U.S. troop

presence falls below the current planned level of 100,000 soldiers --

enough to justify U.S. leadership of

Already Germany is increasingly

determined to expand its role in the

alliance leadership in accordance

leadership along the southern Bal-

tie shore; the air arm of the rapid-

reaction corps will be commanded

outside Germany, Defense Minister Volker Rithe contends that an

expanding German role in NATO

— and in the French-German

corps - will prepare public opin-

ion to send forces outside Europe.

German leaders of pursuing their own political agenda more than al-

hed cooperation, citing the tighter

curbs that the Bonn government is

aining in Germany for

But some U.S. officials accuse

by a German.

one of NATO's surviving corps.

Top Chinese officials "figured ellite communications network and

NATO: Meeting a Reduced Threat

better be nice to him," said one former U.S. diplomat in China who

flashpoint on Europe's perimeter

Now that the former military

threat in the middle of Europe has

receded, the prime risk has shifted

to the borders of Turkey and Nor-

way, and the rapid-reaction corps

is designed to cope with emergen-

Backing it up, there are likely to

be only three other substantial

Western army corps in Europe, at

lowered degrees of readiness and

strength. NATO will count two

main multinational corps, one Ger-

man-led and the other U.S.-led. A

third force would be the proposed

French-German corps, whose rela-

tionship to the alliance is unclear.

tions and logistics if the rapid-reac-

tion corps goes into action. In addi-

tion, they could be rapidly reinforced if the West needed to

undertake a military buildup to off-

set a new Russian challenge. While NATO strategists are

proud of a plan that seems to adjust

the West's pocketbook to the calcu-

lated risks, they acknowledge that

questions remain.

These other NATO corps, in-

or beyond.

G-7 Split MARKETS Louk to On East's Reactors

European Plan Draws Criticism

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By Stuart Auerbach Washington Post Service

MUNICH - As leaders of the seven leading industrialized countries gathered here Sunday for their annual summit meeting, the German hosts revealed sharp differences among the allies over how to deal with scores of high-risk nuclear reactors scattered through the former Soviet Union and Fastern

The issue is of urgency in En-rope, where there is fear of an accident that could spread radioactivity over the Continent, as happened at the Chemobyl reactor in the So-

viet Union six years ago.

The airing of the dispute by For-eign Minister Klaus Kinkel points to stresses beneath the surface among the Western allies.

Germany gives priority to reaching agreement here on cleaning up dangerously unsafe nuclear reactors just beyond its borders. Mr. Kinkel said on the radio that the United States and Japan disagree with the European proposal for do-

ing so.

The Europeans, Mr. Kinkel said, want to establish a multilateral fund to handle an initial five-year program. "Japan and the Americans are somewhat skeptical," he

There are now 15 Chernobyltype reactors scattered throughout the former Soviet Union, and sources here said that many may have to remain in use for at least two more years, despite their present unsafe condition.

In addition, a survey by Siemens Corp. found 42 reactors operating in the former Soviet Union and Eastern Europe that are safer than the Chernobyl-type reactors but do not meet Western standards.

A G-7 task force calls for a \$680 million, five-year program to im-prove operational safety and trainng, to establish national regulatory authorities and to add containment facilities and automated controls where possible.
A senior U.S. official said that

Washington preferred a coordinated effort by individual countries rather than the establishment of a multinational fund in order to get the job started quickly.

Setting up such a fund, he said, would take time away from the Management resurfaced last year when it was disclosed in Securities important job of fixing unsafe reactors. He suggested that the first cott got very good entrée, to say the \$500,000 in fees for helping arrange time-consuming battle would be an investment in the firm by West among the Europeans over where For most U.S. businessmen; -Tsusho: Inc., a Tokyo investment the new fund would be headquar-

plans to invest in China came to a firm that since has been been iden-Under the U.S.-Japan plan, each halt with the June 1989 crackdown tified by the police in Japan as a G-7 nation would "adopt" a group of unsafe reactors and develop pro-

The Bush administration already has launched a \$25 million program along these lines and expects this fund to grow to \$100 million over the next five years. Canada last month announced a \$30 million, three-year nuclear safety iniriative.

Japan, which is being looked upon to contribute a major portion of the nuclear safety program, does not want to move beyond a shortterm program.

Tokyo is reluctant to commit other than emergency assistance to Russia until it can reach a settlement with Moscow over the fate of four of the Kuril Islands. The islands, which are elaimed by Japan, bave been occupied since the end of World War II first by the Soviet Union first and now by Russia.

with the size of German forces and the country's post-reunification A striking feature of NATO's new forces is that Germany - and

only Germany — has troops in every planned multinational corps. German influence will be even greater because many of the forces Mandela Insists of other nations will exist mainly on paper. For example, a planned Belgian led corps appears unrealis-tic with the Brussels government's decision last week to abandon the Whites Give Up **Veto Demand**

Turkey, as well as Italy and Spain, have substantial armed forces, but they operate on the alli-Mandela, the president of the Afriance's southern flank - presumcan National Congress, says he will ably with help in an emergency resume negotiations on South Afrifrom the rapid-reaction corps.

The most visible forces in the ca's future only if President Frederik W. de Klerk abandons decore of Europe, however, will be

mands for a white minority veto. German, so more commands are Mr. Mandela said that he welgoing to Germany. A new zone has been carved out under German that the white government still failed to accept the "fundamental principle" of majority rule. Although the Boun government feels unable to send combat troops

still remains the same: the minority should have the right and the prerogative to veto the positions of the majority," the black leader said

of Boipatong

FRANCE: Farmers Block Train Traffic in the South FAMILY: Business Affairs of Bush Relatives Could Be Campaign Target

Medicare funds and wide patients. Critics bave said that the decision to let him stay in business may have cost the government tens

Jeb Bush's role came under fur-

tensive work" for the payment. One aspect of the Recarey affair remains open: the Justice Department's apparent inability to find him. Mr. Recarey faces four indietments charging him with fraud,

• The most publicized case involving Bush relatives engaged in questionable business practices centers on Neil Bush, 37, a former oil executive who from 1985 to 1988 served as a director of the Silverado Banking Savings and Loan Association, a Denver-based

beloed "elevate" the Recurey case within the department and ultimately led to the decision to grant spread billing fraud of Medicare of millions of dollars.

thrift whose collapse is expected to

Last year, the Office of Thrift Supervision reprimanded Neil Bush, finding that he had engaged multiple conflicts of interest by approving loans to one of his business pariners or failing to disclose his ties to another borrower. One aspect of the Silverado af-

that Mr. Bush had asked him "to see if we could belp him [Recarey] out" and noted during their conversation that Mr. Recarey was a "strong supporter" of the Republican Party.
Mr. Haddow said the phone call

ther scrutiny when published reports disclosed that, after contacting the Department of Health and Human Services, his real-estate company, Bush Realty, was paid a \$75,000 commission by Mr. Recarey's company for beloing to find a oew office building for the firm. Mr. Busb never succeeded at that. He stated in his Mjami Herald response that his company did "ex-

racketeering, wiretapping and bail-

cost taxpayers \$1 billion.

the waiver. Federal prosecutors later charged Mr. Recarey with em-

Recarey's case. Mr. Haddow said reported phone call to the Topeka, right away that this is the number other Asset Management projects. Kansas, office of the Federal Home one man's older brother and you Loan Bank Board in October 1988 that allegedly directed regulators to delay any action against the savings was in the country during the trip and Exchange Commission doca-and loan until after that year's by Prescott Bush. "I thought Pres-ments that he had heen paid presidential election.

fair bas not yet been resolved - a

la June 1990. Kermit Mowbray. the president of the Topeka bank board and the top federal regulator for a four-state region that includfore the November election, his turned to China, promoting the sat- crime, syndicates. office received the phone call from his superiors in Washington, resulting in a decision to postpone the shutdown of Silverado until De-cember 1988. The phone call came after Topeka regulators had in-formed Washington officials that Neil Bush had been one of the the

directors of the failing thrift, Mr. Mowbray testified. Mr. Mowhray was uncertain who made the phone call and said it was not unusual for federal regulators to request such a delay. Timothy Ryan, the director of the Office of Trust Supervision, immediately asked the Treasury Department to formally investigate whether political considerations influenced the

timing of the Silverado closure. A recent review of the matter by The Washington Post showed that two years after Mr. Ryan asked for the inquiry, key principals say they have not been interviewed by any volving mainly U.S. and German forces, would handle communica-

federal agency.

The president's older brother,
Prescott Busb Jr., 69, an international business consultant who bves in Greenwich, Connecticut, repeatedly has been accused of capitalizing on his brother's position - and indirectly benefiting from his policies - in search of business opportunities in China.

In February 1989, 10 days before President Bush was due to visit China and other Asian countries, Prescott Bush Jr. flew to Beijing on his own Far East tour. He already was a partner in a \$18 million joint venture with a Japanese firm called the Aoki Corp. to build a country club for foreign businessmen outside of Shanghai.

During the February 1989 trip, Prescott Bush also was serving on the senior advisory board to a New York firm, Asset Management International Financing and Settlement Ltd., which paid bim \$250,000 a year as a consultant.

An internal Asset Management

document shows that during the trip, Prescott Bush and another official of the firm met with top Chinese economic officials and discussed a broad array of new business ventures, including plans to set up an international satellite communications system network linking Chinese businesses and uni-

· Even with forces ideally designed to intervene in a crisis, such as that in Yugoslavia, will allied governments have the pobtical will to commit troops? While NATO remains an integrated multinational force, largely thanks to Germany's large army, how far will the Bonn governme go in pressing its own agenda at the expense of allied solidarity?

governments will not meet their theoretical commitments to field adequate forces? The planning process has been driven, officials acknowledged,

• How great is the risk that allied

largely by the economic and political pressures to meet the target of halving allied forces in Europe by While American officers contin-ue to hold the supreme NATO jobs, the U.S. presence will decline

imposing on training hiring practices and other activities by U.S.

Sierra Leone Envoy Defects

Ojong, Sierra Leone's high com-missioner in Gambia, has fled to the United States after being recalled by the new military government, high commission sources said Sunday. Mr. Olong formerly was on the Central Committee of the All People's Congress, ousted in a military coup in April. The new the All People's Congress, ousted in a military coup in April. The new rulers have detained leading congress and government members expected to face trial for corruption.

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Markets

No. of Parties

New York Times Service JOHANNESBURG - Nelson

comed concessions from Mr. de Klerk aimed at reviving talks, but The position of Mr. de Klerk

Saturday.

Mr. Mandela responded last

week to a 31-page letter from Mr. de Klerk that mixed recriminations with new concessions aimed at luring black leaders back to the bargaining table.

The political talks deadlocked in mid-May, and the ANC broke them off entirely following violence on June 17 that left more than 40 persons dead in the black township

BANJUL, Gambia - Patrick

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New York Times, edited by Eugene Maleska.

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OF MAKING MERCHAL

Foreigners Look to U.S. For Long-Term Finance

By Steven Prokesch New York Tones Service

ONDON — The pullback in 1990 was only a pause. Foreign corporations have resumed their rush to the United States to sell tens of billions of dollars worth of stock and bonds to American investors, and the renewed interest is part of a larger trend.

Issuers include British biotechnology firms; Spanish and Por-inguese banks; Argentine, Mexican and British telephone companies; Venezuelan paper, petrochemical and metal concerns; French oil interests; Indian textile, metals and petrochemical companies, and Japanese and South Korean electronics giants. Companies, governments and supranational organizations like

the World Bank are increasingly pedding big blocks of securities around the world. They are aiming in the equity markets for the highest pos-sible prices, and in the bond

CAPITAL MARKETS

One reason is the increase in U.S. mutual funds markets for the lowest-possible interest rate on the longthat invest in est-possible maturity. "You want to turn over as foreign securities.

many rocks as you can to make sure you achieve the maximum possible demand," said Robert K. Steel, a managing director at Goldman Sachs Internanonal Ltd., the U.S. investment bank's London arm.

This is happening as competition for capital intensifies while banks remain stubbornly hesitant to lend. Demand for capital is growing among everyone from Eastern Europeans - who need it to rebuild their economies - to Western European, Latin American and Asian governments selling state companies.

In scrambling to expand their sources of supply, all naturally look to the United States, the world's largest and most sophisti-Analysts blame the 1990 decline in foreign securities sales in

the United States on the uncertainty generated by the Gulf War and a pause in sales of state companies. But in 1991, the sale of foreign shares in public and private deals doubled to a record \$9.78 billion, according to the London-based IFR Securities Data Co. Bond deals rose 48 percent, to \$55.33 billion.

B ASED ON results so far this year, investment bankers think the 1992 totals will at least match and probably exceed last year. What makes the United States exceed last year, What makes the United States markets so attractive? Largely, an easing of disclosure rules, low interest rates and increasingly adventuresome U.S. investors.

"U.S. institutional and retail investors have over the past 18 "U.S. institutional and retail investors have over the panel and bonds," inonths become very avid buyers of foreign equities and bonds," said Julian Summer, a managing director at London-based Mer-rill Lynch international Ltd. "This is a major sea change."

Merrill Lynch expects the value of foreign securities held by Americans to increase to \$875 billion in the year 2000. That would be up from \$275 billion in 1991 and just \$120 billion in One reason is the increase in U.S. mutual funds that invest in

foreign securities. As of May, the assets of stock funds that invest largely outside the United States stood at \$41.8 billion, more than twice the level of the end of 1988. Assets of global bond funds have soared to \$28:5 billion from \$3 billion in 1988. The regulatory atmosphere in the United States has become

more friendly with the easing of disclosure under Rule 144A, which the Securities and Exchange Commission introduced in 1990. Foreigners can now sell securities to big institutional investors, disclosing only the data-required in their home mar-

For American investors, who have long been more receptive to a wider range of stocks and bonds than their foreign counteraparts, the rush of foreign offerings has meant new opportunities to increase returns — something many have been seeking as falling interest rates have reduced bond returns.

Investment bankers point to some interesting plays among recent foreign issues, particularly European and Latin American telephone companies, French oil companies like Total and Elf-Aquitaine and a German software company named SAP.

There has been an especially noticeable rise in the number of

European companies and banks issuing debt and preferred shares, including Sweden's SKF and Electrolux, France's Banque Paribas and Britain's British Petroleum, Grand Metropolitan and British Acrospace.

Many now have big United States operations and prefer to borrow for them in dollars.

Even foreign companies without American operations are being drawn to the United States. These borrowers, especially those without top credit ratings, have found that the cost of selling dollar-denominated debt in the United States -- that is,

See FINANCE, Page 9

CURRENCY RATES

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(Sources: NIMB Bank (Amsterdum); Indosum Bank (Brussels); Banca Cammerciale Hallono Millon); Bansue Nationale de Parts (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Torondu); IMF (SDR). Other data from Repters and AP.

Last Week's Markets

	All figures are as or Friday	Close to nergina			
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Herald Eribune. BUSINESS/FINANCE

MONDAY, JULY 6, 1992

Japan's Surplus: No Easy G-7 Solutions

New York Times Service TOKYO - After several years of reduction, Japan's trade surplus with the rest of the world is soaring to record levels, a development that could increase unemployment to other nations and contribute 10 new trade tensions.

It is also likely to be a main topic at the summit meeting of the seven leading industrial countries this week to Munich, where Japan will be in the awkward position of being the

only participant with a surplus.
"We've never seen a trade surplus like this in any country before," said Kenneth S. Courtis, chief economist and strategist for Deutsche

Bank Capital Markets in Tokyo.

He said Japan's exports could exceed imports this year by \$135 billion, well above the levels that followed the 1985 Plaza accord, under which the industrial partners agreed to raise the yen's value sharply to reduce Japan's trade

In Munich, the Japanese government is expected to tell its counterparts about a new plan to stimulate its economy by increasing public spending by \$47 billion or more later this year, which could increase imports.
[In London, Japan made a fresh pledge Sat-

urday to redouble efforts to curb its trade surplus with the European Community, Reu-ters reported. The EC imbalance with Japan hit a record \$27.4 billion last year.

"We recognized the need for further efforts by Japan and the European Community and its member states to increase EC exports to Japan," said a joint statement issued after talks

4 Banks

By India

Scrutinized

NEW DELHI - India's central

bank said it has appointed auditors

to investigate the treasury opera-

tions of four foreign banks, apparently in connection with the \$1 bil-tioo scandal in the country's

securities iodustry.

The Reserve Bank of India said

auditors would look into the Bom-

bay branch operations of Citibank,

Bank of America, Standard Char-tered Bank and the ANZ Grindlays

PLC unit of Australia & New Zea-

land Banking Group Ltd.

The central bank's statement, reported by domestic oews agencies and published in Indian oewspa-

pers on Sunday, said the auditors have been asked to submit a report

within a month, It said the central

bank scrutinized the treasury trans-

actions of the four banks last

The central bank issued a report

on June 2 about its investigation

into the Indian financial scandal.

which has found several major

banks short of more than \$1 billion

after making unsecured loans to

That report described "massive

collusion between the concerned of-

ficials involved and brokers" to di-

vert government securities into the

Bombay stock exchange. Frandu-lent or uncovered banker's receipts

— promissory ootes pledging deliv-ery of government securities against cash advances to brokers — have

Standard Chartered already has

provided 10 billion rupces (\$349

million) to its Bombay branch to

cover possible losses. ANZ Grind-

lays has denied it was tovolved in

any illegal deal but has agreed to

provide \$250 million against possi-ble losses.

The statement this weekend said

a second report, separate from the

anditors' inquiry, would be submit-ted to S. Venkitaramanan, the cen-

Trading was suspended on the Bombay exchange last week because

of a boycott by brokers in connec-

tion with the scandal. The action

began June 16. (Reuters, AFP)

tral bank governor, on Monday.

been at the heart of the scandal.

month, but gave no details.

securities speculators.

President Jacques Delors of the EC Commission and the current EC president, Prime Minister John Major of Britain.

At the same time Mr. Miyazawa asked for understanding that the Japanese economy was slowing down substantially while an expanding EC was sucking in imports.]

Japanese officials concede that such stimulus measures as increased public spending would make only a small dent in the world trade mbalance. Economie experts say fundamental changes are needed - Japanese consumers must spend more and the government must open its markets to foreigners.

In addition, a new fear is arising that Japan no longer recycles its surplus to help other

In the 1980s, Japan used the money it generated from trade to make long-term investments outside the country in stocks, bonds, real estate and new factories. Such investment, while sometimes controversial, helped other countries to grow.

But to the last year, Japanese companies, having been stung by unwise investments abroad and facing a recession at home, sharply cut back these investments. Now more foreign capital is flowing into Japan than Japanese

capital is going out. Some economists say that unless Japan begins recycling the huge surplus, the world could face a shortage of capital. That could drive up interest rates, perhaps lengthening the current world recession.

"For Japan it is very important to recycle the

capital that can serve the rest of the world," said Makoto Utsumi, a former vice minister for international affairs who is now an adviser to Japan's Ministry of Finance.

Jananese investors, be said, have become afraid to take risks. The government should do something to mobilize this money," he said. The situation is potentially embarrassing to Japan because the nation has often defended its trade surplus as being useful to accumulating savings for the rest of the world.

Japan's surplus jumped more than 60 percent in 1991, to a record S103 billion, and it is

headed higher this year.

Its surplus with the United States, S38.2 billion last year, is still significantly lower than it was a few years earlier, but this, 100, has started to move up again after years of decline. In May, Japan's overall trade surplus nearly doubled from the level of a year earlier, while the surplus with the United States jumped more

Japanese officials said the recent rise to its trade surplus was a result of global economic forces, not specific trade practices. During the last five years, while Japan's economy boomed, imports of everything from German cars to French wine and American lumber rose sharp-

But with the collapse of Japan's speculative economy, imports started to decline. Meanwhile, prices of products that Japan exports have gone up, in part because Japan has shifted to making more expensive cars.

This is essentially a price-generated See JAPAN, Page 9

Thrift Clouds U.S. Recovery

New York Times Sernce

READING, Pennsylvania — Though some might call it false economy, considering the value of time and gasoline, Linda Startzel was intent all the same on driving 20 miles round trip to huy a picnic cooler at Reading's spanking new 114,000-square-foot (10,000square-meter) Wal-Mart.

Indeed, it was with a certain satisfaction that she emerged from the discount colossus, hav-ing spent just \$14.88 for an item that had been marked \$17.97 at a Kmart — oo slouch at price-cutting itself — near ber home.

Mrs. Startzel, who with her husband usually spends a week each year vacaconing in Cancun, Mexico, is not by nature a skinflint. It is just that the Startzels are trying to save some mooey, because they feel none too secure about their jobs. Both work at Bell Atlantic Corp, and face the possibility of a strike this sum-

To the dismay of merchants, there seem to be all too many Startzels around these days. reople are value conscious looking for basic value rather

than frills," said Edwin Lakin, president of Boscov's, a mediumsized regional department-store chain that has its headquarters and three stores here.

This "don't spend more than you must" attitude threatens not ed successfully.

Compiled by Our Staff From Dispatches

awarded to a consortium led by

Canada's Lavalin International Inc.

al that its Lavalin unit had been

informed that the agreement signed

io February had been declared word by the Expressway and Rapid Transit Authority of Thailand.

Sources in the authority said the

cabinet was expected to terminate

the contract on Tuesday by reject-

ing a request to renegotiate the

The SNC Group said to Montre-

By Robert D. Hershey Jr. only merchants in Reading and the surrouoding area, which asts a plethora of factory our

> It implies a reshaping of American retailing and raises questions about the nation's economic recovery. Although con-sumers usually do not initiate recoveries, consumer spending representing two-thirds of the nadoo's economy — has tradi-donally fueled expansions.

But this recession, if Reading is any indication, has trained

Tight-fistedness by consumers and business raises questions about the recovery.

consumers to pinch their pennies. And news like last week's -jump in the unemployment rate may only strengthen that cau-

This reluctance to spend also inflation. Irwin L. Kellner, chief economist at the Chemical Bank in New York, finds consumers these days nothing less than "defiant" about price increases, which during the recession they have learned can often be resist-

Thais Rethink Bangkok Rail Project

Lavalin in February won the 30-

BANGKOK — Thailand may year concession to operate the 37-scrap or revise its \$2.6 billion Bang-kok elevated railway project, called Skytrain, which already had been Mitsubishi Corp. and Mitsubishi Post newspaper that political unrest in May complicated efforts to

Heavy Industries Ltd. are Lavalin's

major foreign partners, while Can-ada's Bombardier was to build the

Sources within the authority said

the government would probably

abandon the project because the consortium failed to meet a June

deadline for subscribers of its 10

billion baht (\$395 million) equity.

The state-owned anthority pledged

to take a 25 percent stake in the

rail cars.

"With job security increasing-ly problematic and income growth slowing, cost-conscious consumers are embracing retailing discounters with unabashed enthusiasm," Mr. Kellner said, ooting that discounters now account for more than 40 percent of general merchandise business

and one-third of apparel sales. The current tight-fistedness among consumers is also evident at major manufacturers. A prime example is Carpenter Technology Corp., a specialty steel company with \$600 million in annual sales that announced the elimination of 130 white-collar jobs this spring

in a restructuring totended to reap the benefits of computerization. Carpenter, according to Paul R. Roedel, who is retiring as its president, is suffering a squeeze on profit margins at a time when its business is flat because of soft sales of components for oilfield equipment and for jet engines.

Not long ago Carpenter execu-tives were summoned to Detroit to meet with J. Ignacio Lopez de Arriortua, the General Motors Corp. executive dubbed the "grand inquisitor" for the way be strong-armed suppliers into price cuts when working in Europe.

Now installed to do the same task at bome, Mr. Lopez is pressuring companies such as Carpenter, which supplies the automaker only iodirectly through products like valves and fasteners and components for air bags.

A long delay inflated Lavalin's

original estimated cost of \$1.6 bil-

rest in May complicated efforts to

Officials in the authority said the

government may call for a new bid

on the project or it may integrate it with two similar systems.

Another Bangkok newspaper, The Nation, said the government would call for new bids while re-

opening negotiations with the pre-

vious second-place bidder, the

Hong Kong and Australian Asia-

Euro Consortium. (Reuters, AP)

find backers.

Italy Lifts Rates To Support Lira, Moves on Budget

Compiled by Our Staff From Dispatches ROME — The Bank of Italy pushed up its main lending rate on Sunday to support the embattled lira, while Prime Minister Giuliano Amato's new government announced its first measures to tackle inflation and a huge budget deficit.

هكذامن الأحيل

The central bank said it was increasing its discount rate by one percentage point, to 13 percent, ef-fective Monday, to take pressure off the Italian currency to financial markets. It the also boosted its premium, or emergency funding, rate to 14.5 percent to 13 percent

Mr. Amato's government, formally endorsed by parliament with a confidence vote on Saturday, said it was freezing public-sector prices as a first move toward healing the alling economy. It said it would detail a package of spending cuts and tax increases by the end of this week to slash 30 trillion lire (\$26.1

billion) off the budget deficit.
The deficit is projected to be 160 trillion lire for 1992, while inflation remains stubbornly high at an anoual rate of more than 5 percent. The Bank of Italy stepped in to

support the lira after an attack on the currency on foreign exchange markets. The currency has fallen sharply against the Deutsche mark amid speculation that Italy might have to devalue because of its financial problems. The government, to a statement

issued after a Sunday morning cabi-net meeting, affirmed its determinaoon to protect the lira, saying the stability of the exchange rate was a key element in fighting inflation.

The whole government opera-tion presupposes firmness of the exchange rate," Treasury Minister Piero Barucci said. "This is the main supporting beam on which the entire economic maneuver is built." The lira is allowed to fluctuate

2.25 perceot above or below 748.217 DM under European Monetary System rules, Speculation of a devaluation has grown since Denmark threw the process of European monetary union into disarray by rejecting it in a referendum on June 2. All 12 European Community countries must sign the economic and monetary union treaty to make it binding. Financial analysts welcomed the

rate rise, saying that it had become of millions of dollars. inevitable after the devaluation

fears drove the lira down near alltime lows of 760,25 to the mark on Friday. It takes 1,147.75 lire to buy one U.S. dollar.

"It shows ooce again that defending the lira is the top priority. said Ernesto Paolillo, president of the Italian Forex Club, said. hope that the international speculation will now understand once and for all that the lira will not be devalued." be said.

But analysts and dealers said markets were likely to remain nervous until the government proved that it could take convincing action

10 cleanse the economy.

The government said details of moves to tackle the 1992 deficit would be contained to a decree law to go before parliament on Mr. Amato's return from the summit meeting in Munich this week of the Group of Seven leading todustrialized countries.

The government also said it would seek approval from parliament for four special laws giving it sweeping powers to reform the deficit-generating sectors of pensions, health, local government and public-sector employment.

Financial markets grew increas-ingly oervous as Italy floundered in poliocal crisis for nearly three months following inconclusive general elections to April.

Mr. Amato's four-party coalioon, mainly made up of his Socialists and the dominant Christian Democrats, won confidence votes to both chambers of Parliament last week after presenong a platform whose main plank was help-

ing the sluggish economy, Mr. Amato's office said the government agreed to swiftly rein in spending for pensions, health care and other public services. The cabinet also decided that prices would be set for government purchases and awarding of public works con-

That decisioo apparently grew out of widespread Italian disgust over a current rash of kickback scandals involving scores of public officials and business executives to several regions over the awarding of construction and supply contracts. lovestigators suspect corruption bas inflated the state's tab for goods and services by bundreds

(Reuters, AP, Bloomberg, UPI)

Germany Apt to Foil European Rate Cuts

Compiled by Our Staff From Dispatches LONDON - The French and British bond markets have positioned themselves for interest-rate reductions, but analysis said Germany was

likely to dash their hopes.

Long-term bond yields in all three countries fell last week, but the inflacion-averse Bundesbank is likely to keep its interest rates stable, despite calls for an easier stance by Germany's partners in the Group of Seven industrialized countries.

On Sunday, the chairman of Deutsche Bank AG, the biggest German bank, said the central bank's approach was correct. The executive, Hilmar Kopper, told German radio that the Bundesbank was pursuing a "completely correct and consistent policy." He added: "It is an anti-inflationary policy which will certainly show its positive side in the coming months in a clear drop to the inflation rate. German inflation currently is running above a 4 percent annual rate.

Also on Sunday, Italy raised its discount rate by 1 point, to 13 percent.

to protect the lira, which has been trading near its record low against the

With the U.S. rate cuts by the Federal Reserve Board on Thursday, there was talk the Bank of England was about to drive down base bank lending rates in Britain. The central bank did reduce the rate at which it buys bills on the money market. "Some people are thinking we'll see a concerted cut in British and French rates," said Peter Spencer, chief economist at Kleinwort Benson. "But Germany is simply going to spoil the party again."

British authorities would risk a run on the pound by pushing rates lower without a similar German move.

The yield of the 9 percent British gilt due 2008 tumbled to 8.77 percent Friday from 8.97 percent a week earlier. The 8.5 percent French Treasury issue due 2002 yielded 8.70 percent, down from 8.78 percent. Even yields on the bellwether 8 percent German Unity Fund bonds due 2002 slipped to 7.97 percent from 8.04 percent. (Bloomberg, Reuters)

Hong Kong Notebook

Mystery Mainland Buyers Stir Property Market

Of the spate of recent deals in which main-land Chinese interests have bought Hong Kong property, none has more captivated the market than the sale of Nine Queen's Road Central, the office and commercial skyscraper recently completed by Hong Kong Land Holdings Inc., the colony's premier landlord. More than a month after the deal for 3.8 billion Hong Kong dollars (\$491.6 million). bittle is known about the identity of the prin-

cipal buyers. Innsbuck Co., the Hong Kong-registered entity that bought the property, describes its backers as a consortium of Hong Kong and mainland-based parties. Three of those parties, accounting for 50 percent of the deal, are Hong Kong-based companies.

The identities of those who control the

remaining half are a mystery.

What is evident, however, is that they have a lot of money and are willing to spend it. Hong Kong Macau Holdings Ltd., which bolds a 10 percent share in Innsbuck, was relatively unknown a year ago but is now one of the most active deal makers to town. Hu Jinguang, Hong Kong Macan's chairman, was said to be involved in foreign trade

in Beijing before emigrating to Panama in In the 10 months since he bought a control-ling stake in Hong Kong Macau, Mr. Hu, who is reportedly the son of a former high official of the People's Bank of China, has bought several office properties, Nine Queen's Road and the Grand Hyatt Hotel in Xian, and is reportedly studying plans for further investments totaling 10 billion dollars.

Deng Liugen, managing director of China

Weal, which holds 35 percent of Innsbuck,

Mr. Deng migrated to Hong Kong from the mainland, where reportedly he once was the Both companies were reluctant to answer questions, saying they have been instructed to follow the Chinese political saying, "Speak little. Do much."

Japanese Checking Out? As mainland investors come charging in, the Japanese — in the case of the troubled

Ritz Carlton Hong Kong Hotel - have been hanging on by their fingernails.

Last year, many in the Hong Kong hotel industry predicted The Ritz Carlton, which was developed from two prime plots over-looking Victoria Harbor in the heart of the city's central business district, would quickly become the premier luxury hotel on Hong Kong Island, surpassing the venerable Man-

darin Oriental. But the still uncompleted 216-room hotel has been plagued by delays since its owner GGS.Co., a Tokyo-based broker of golf chub memberships, sought reorganization in court last year.

In recent weeks, rumors have spread in the hotel community that the syndicate of Japanese banks that effectively owns the Ritz Carlton are seeking to take more direct control of the project and might appoint a receiver to a produde to a fire sale.

"It will never open," said an industry source. "This is a case study of everything you can do wrong when developing a hotel," he said, adding that the hotel already has cost more than \$1 million a room. has made at least five property deals in the last year totaling 2.7 billion dollars. In 1988.

But Terence Chan, project manager for GGS Hotel Holdings, the Hong Kong unit of

the Japanese parent company, said the com-pany was sticking to the court-ordered reorganization plan that calls for GGS to own and operate the hotel for several years. A spokesman for the Atlanta-based Ritz Carlton Hotel Co., which holds the manage-ment contract, said the botel would open in

Gored by Bull Market

A bull market can lead to an expensive correction on the way up as well as on the way down. Take the case of Morgan Stanley, the U.S. iovestment bank.

In February 1991, in the midst of a dramatic decline in trading volume due to the Gulf war, Morgan Stanley unceremoniously disbanded its Asian equity and research operation in Hong Kong, reassigning several traders and firing a number of salesman and

Since then, however, Asian markets outside Japan (where Morgan Stanley has retained operations) have taken off, particularly to Hong Kong.

The Hang Seng Index is up 41 percent since Jan. 1, spurred on by enthusiastic buy recommendations from U.S. analysts, including none other than Barton Biggs, Morgan Stanley's director of global research. In May, Mr. Briggs told his clients that Hong Kong's China link is "the biggest emerging market story of all time."

So it is not surprising to learn that Morgan Stanley has decided to reconstitute its Asian research operation, hiring back several familiar faces - at significantly higher salaries.

Laurence Zuckerman

Schmid-Preissler

Strategy Consulting **Business Development** Mergers and Acquisitions Strategic Alliances

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Schmid-Preissler GmbH International Management Consultants Bou D-8000 München 2 Elisenstraße 3 Tel. +89-557601 Fax +89-557605

INTERNATIONAL HERALD TRIBUNE, MONDAY, JULY 6, 1992 Page 8 Con Con ERNATIONAL BOND PRICES N88535744895488 100分列于200分列的1000种种外外的全部外外的100分列的100分列于200分列于200分列于200分列于200分列的100种种外外的全部的100种种外外的全部的100分列 等自我以近近日的,这是是这种,我们是这一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们 第一个,我们的一个,我们是一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们的一个,我们 Provided by Gredit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. July 3 现实分析性的社会的现在分析中的证明的证明的证明是非常有关的对象对对对,但是不是是一种的对象的,但是一种的社会的,可以可以是一种的社会的,可以是一种的社会的,可以是一种的人,也是一个人,也是一个人,他们也是一种的人,也是一个人,我们也是一个人,我们也是一个人,我们也是一个人,我们也是一个人,我们也是一个人,我们也是一个人,我们就是一个人, 位置では、1915年の1915年 部代が公共の 1990 年 1990 1105 4 1 100 Honerweil Corp | 10% of the Month | 10% of the Mont Governments/ Supranationals Grindkrys M.
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FINANCE: Foreign Firms Look to U.S. for Capital

world of interest-rate and currency

swaps has also encouraged foreign

companies to exploit the advan-

tages that borrowing in dollars in

the United States might have over another market at a given time.

A company can issue fixed-rate dollar-denominated bonds, then,

through swaps, choose alternative

payment patterns - ending up, for

Companies have also discovered

that different types of securities

may be more highly valued in one

country than another. This helps

explain why two British biotech

companies, British Bio-technology

cals, are interested in the United

In the United States, plenty of

investors are willing to buy shares

of biotechnology companies that not only have never made any mon-

ey hut have yet to hring a product

Although the London Stock Ex-

too many financial burdens since

unification, complains the United

States has not moved fast enough

to support the economic transfor-

mation of the former Soviet Umon.

Tokyo insists it cannot do more

until Russia agrees to return the

four Japanese islands it occupied at

Reviving the global economy.

All three major economic powers are constrained by domestic prob-

lems from assuming the burden of lifting the world economy out of its

trough. German inflation fears

keep European interest rates too

high to cut unemployment. Japan is

relying on another export drive be-

cause the collapse of its real estate

and stock markets have under-

mined domestic consumption. The

United States has not overcome the

legacy of private and public debt

accumulated during the 1980s,

leaving its financial sector and the

ine end of World War II.

Group and Cantab Pharmacenti

exception for biotech, companies

generally cannot obtain an ex-

change listing until they have a

Borrowing on world financial

markets continued expanding rap-

idly in the first five months of the

year with a total volume of \$223

With expectations of lower long-

term interest rates and many cor-

porate and sovereign borrowers in

make room for some further de-

eline in long-term interest rates.

sanctions against China after the

massacre of protesters near Tian-

anmen Square in Beijing, Japan pressed ahead in restoring normal

relations. Washington remains

worried over a French-German military force, while Bonn and Par-

is fear U.S. forces are on the path

loward complete withdrawal from

Environmental challenges.

The United States bore the brunt of attacks at the Earth Summit for

refusing to commit itself to specific

targets to limit the output of gases

that contribute to global warming.

But its apparent isolation obscured

the fact that America has been

more successful than Western Eu-

rope in cutting certain gases, leading Brussels and Washington to

Unable to overcome such prob

lems together, each of the major

pursue divergent goals.

■ Global Borrowing Up

billion an increase of 11

five-year profit record.

(Continued from first finance page) more flexibility, the burgeoning

like Grand Metropolitan that are rates in Japanese yen, and the principal in British pounds.

States.

to market.

the interest-rate level - is lower

than in the Euromarket, which re-

mains unreceptive to corporate is-sues rated below single-A.

Borrowers also can obtain matu-

ties of up to 30 years in the Unit-

ed States compared with an effec-

tive maximum of 10 years in the

Furomarket. This has become in-

paried about the long-term avail-ability of capital.

Grand Met, the British food,

drinks and restaurant giant that

owns Pillshury and Burger King, raised \$900 million in the United

States last year by selling equal amounts of 5-, 10- and 20-year

bonds. It used the proceeds to re-

achieve that in the Eurobond mar-

ket." said Simon D.A. Martin,

Grand Met's assistant group trea-

By giving foreign companies

treaty, while the United States is

beset by its own domestic political

paralysis," said Jochen Thies of the German Institute on Foreign Af-

fairs in Bonn. "And Japan remains

inward-focused and seems incapa-

bie of emerging from its shell on any issue outside of its region."

Consider some of the issues

where the G-7 nations are at odds

today, with little sense of shared

The ground rules of world

trade. The United States and the

European Community, reluctant to

offend powerful special interest groups, have so far failed to bridge

their gap over farm subsidies. Meanwhile, Japan, which has the

largest stake in maintaining an

open world trading system, cannot overcome domestic obstacles that

would permit it to lift its barriers to

imported rice. The stalemate is backing completion of a global

more readily convertible into hard

"We may go back to the

We wouldn't have been able to

place short-term borrowings.

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Outlook for Recovery Fades

Weak Jobs Data Ignite Rally in Treasuries

Compiled by Our Staff From Dispatches NEW YORK - Bond investors

are expecting the economy to remain weak in the near future, with nervous businesses and consumers paring their dehts to protect themselves from a progracted slowdown. analysts said

This outlook, spurred by the June unemployment data released Thursday, is likely to benefit the

U.S. CREDIT MARKETS

government bond market, which

saw a buying frenzy in its final hours of trading last week. The market bellwether, the 30year Treasury bond, rose 1 27/32 points last week, to 104 10/32 on Thursday, reducing its yield to 7.63 percent from 7.78 percent at the end of the previous week. The market was essentially closed on Friday

for the Independence Day holiday. The key to the rally, analysts said, was a surge in the June unemployment rate, which unlocked the door for lower interest rates. The Federal Reserve Board swiftly cut its discount rate on loans to hanks and it pushed down the rate hanks charge each other on overnight loans, the federal funds rate.

The catalyst was obviously the Labor Department's report, which raised the specter of a repeat of last year, when a seeming recovery will-

ed." said Trude Latimer, vice presi- be a slug, and that the Fed will have dent and chief market strategist at Wayne Grayson Capital Corp.

The government said the civilian unemployment rate rose 0.3 percentage point, to 7.8 percent of the work force, in June from 7.5 percent in May. Nonfarm payrolls in June plummeted 117,000, to a seasonally adjusted 108.35 million, af-

ter rising a revised 93,000 in May. The Fed quickly cut the discount rate to 3 percent from 3.5 percent. It apparently cut its target on the federal funds rate to 3.25 percent from 3.75 percent.

"The quick response of the Fed to the June employment news indi-cated the severity of the economic situation and that the Fed, too, believes that we could be falling back in recession," said Nancy Kimelman, chief economist for Technical Data Systems.

But many analysts said they were skeptical that this easing would be more effective at reviving the economy than orevious moves have been. Unfortunately, I don't think this will help," said Steven A. Wood, director of financial mar-

San Francisco. "The economy to me does not seem to be restrained by the level of interest rates or by a lack of liquidity," he said. "But my gut says the Fed is not finished easing rates. I

kets research at Bank of America in

to help again."

The concern is that businesses and families are so cautious about borrowing that a change in interest rates will give only a modest poost to lending and thus the economy.

As a result, banks are likely to stick to their practice of parking any extra funds in government securities, rather than passing on the money and adding fuel to the re-covery, analysts said.

When the market opens Monday, it will have more weak data to consider. After trading had ended on Thursday, the Fed said all three measures of the U.S. money supply fell during the week that ended on June 22. M-2, the aggregate most closely tracked by the central bank. fell by \$10.6 billion, much more than the \$2 billion drop many economists had predicted.

The Treasury's auction of \$9.75 billion of seven-year notes on Wednesday is expected to find good demand in the current environment as low short-term rates push some investors into longerdated maturities for their higher yields, economists said.

The market is expecting positive news from the report of the June producer price index due on Friday, which is expected to show fairly tame inflation, economists said. think the economy will continue to

(UPI, NYT, Reuters, WP)

Nomura Said to Plan Job Cuts for Women

TOKYO — Japan's largest hro-kerage, Nomura Securities Co., is targeting women clerks in a plan to cut its work force hy almost 20 percent over the next few years, a inancial newspaper has reported.

clines. Nomura is expected to cut marriage. the number of women clerks hy 2,000 over the pext four to five slump, Nomura also plans to reyears, according to a report in the duce the number of its branch of-These clerks account for 5,000 of cording to the newspaper.

committee charged with streamlining operations.

Nomura executives were not available for comment. Women work as assistants to

inancial newspaper has reported. traders and managers and are gen-Suffering from sharp profit de-erally encouraged to leave after

With the stock market in a fices over the next three years, ac-

Nomura has incurred substantial

operating losses in the current business year, which began April 1, the newspaper said.

A spate of scandals and a tumbling stock market has produced one of the worst years ever for Japan's brokerage houses.

Nomura had a pretax profit of 44.1 billion yen (\$300 million) in the previous husiness year, while Investment in office computers net profit slumped 70 percent, to the company's 12,000 employees. Investment in office computers net profit slumped 70 percent, to The newspaper said the decision would be scaled down from its cur- 31.6 billion yen. (AFP, Reuters)

search and development, and the

"There's oo fundamental rever-

sal going to occur," be said. Some scholars also argue that the

nature of trade has changed as

companies spread their operations

the next few years.

around the globe.

JAPAN: Widening Trade Gap Defies Quick Solutions Mr. Courtis said the investments

(Continued from first finance page)

change," said Robert Alan Feldman, chief economist for Salomon Brothers in Asia, He said that the balance of the volume of Japan's imports and exports had oot banged much for three years. Many economists say that even if

the economy improves, Japan has a structural surplus that stems largely from the fact that consumers do not spend enough. In addition, Japan's market is

from the same period last year, ctrate, in part because of trade bar-Agence France-Presse reported tiers, an issue that could become from an OECD report released on central in the U.S. presidential The Bush administration, hoping

to prevent worsening relations with Japan, recently tried to play down Japan's trade problems, particular-ly in meetings this week in Washneed of refinancing debt contracted in the late 1980s, the securities ington between President George Bush and Prime Minister Kiichi market was the main growth sector. Assessing the prospects for the Miyazawa of Japan.

remainder of the year, the report The United States has pushed said the moderate recovery now Japan, however, to stimulate its projected in the OECD area, with economy to spur spending and im-

inflation likely to be lower, should ports. Economists said the Japanese government's plan to increase pub-

dent on traditional leaders to pro-

he spending, which has oot gone made during Japan's economic boom in oew factories and in rethrough the final legislative process, would not do much to lower the trade surplus. Naoyuki Haraoka, director of competitive lift it has provided, would carry the Japanese through

the international trade research office in the Ministry of International Trade and Industry, said his per-sonal estimate, and oot that of his agency, was that the envisioned spending package might raise imports by \$10 billion to \$12 billion.

"That is not substantial, compared to \$100 hillion," be said.

Some economists thought the surplus would bring about more pressure for a rise in the value of the yen, which would make Japan's exports more expensive in other countries and foreign products cheaper for the Japanese. However, Japan was able to adjust for the roughly doubling of the yen's value that resulted from the 1985 Plaza

Euromarts At a Glance

Eurobond Yields

					July 1	June 24
				U.S. S. 2 yrs & over	7.50	734
				U.S. 1, 5 to 7 yrs	6.97	7.04
	and in the Air on II	nnonular C-7 Load	ore Rogin Monting	U.S. S. less than 5 yrs	5.76	5.79
SUMMIT: Disc	ora ut ute Au us v	upopuuu 0-1 Leuu	ers Dezur Meenne	Pounds storfing, less than 5 yrs		78.02
O CAMERIA DE COMO		1 1	0		951	9.55
				tick life, less then 5 yrs	12.73	12.53
(Canding Som ween 1)	trade liberalization pact, raising the	federal government too weak to	powers seems to have lost its sense		10,10	16.54
(Continued from page 1)	prospect of greater protectionism	sustain a healthy recovery.	of direction.	ECUL S TIS & OVER	7.13	9.14
	prospect of greater proteonous	National security and relations		ECU, \$ to 7 yrs	9.16	9.13
Meanwhile, each major power is	and an eventual breakdown of the		"In the wake of the Cold War,	Con. S. less than 5 yrs	7.40	7.57
meanwille, each major power is	world into partly closed trading	with other countries. Germany,	Washington, Bonn, Tokyo, Paris,	Aus. 1. less than 5 yrs	7.40	7.50
preoccupied with internal matters,		France, and the United States have	Brussels are all trying to figure out		7.77	157 (
leading to a fragmentation of the	blocs.				5,70	5.76
	· Aid to the republics of the for-	pursued contradictory approaches	who they are and where they fit it,"	Yes, less then \$ y75	5.05	5.76
global system.	mer Soviet Union. Germany, argu-	to the war in Yugoslavia. Despite	Mr. Garten recently wrote. "The	Source: Luxembourg Stock	Exchang	.
· W PROTOR IS III LUC HUUSE OF ME	ing that it has been saddled with	U.S. and European efforts to main-	similiannes of there identity origer			
identity crisis over the Masstricht	mg mat it has been sudden cines	tain at least some human rights	is this: countries which are uncer-	Weakly Sales		July 1
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is this: countries which are uncer-	Weekly Primary Meri	Sale	3		July 1	
tain of who they are and where they	Transfer and		del	Buroc	clear	
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Voters find it easier to abandon	FRIES	31.00	111.48		357,40	
old habits, too. No longer depen-	ECP			11,349,50		
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dent on traditional leaders to pro-	Secondary Mari	tet			
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politicians outside the mainstream.	Convert.		352.30		
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out specifics, has performed strongly in the polls. Chancellor Helmut Kohl of Germany faces challenges from anti-foreigner poli- ticians on the right. In France, President François Mitterrand's political star has risen lately, but he still remains weak.	Libor Ra: U.S.5 Destische mork Presch franc ECU Yes Sources: Lione	1-month 395 994 10 1095 1092 4 9/16	3-month 3-9/14 9/14 9 15/14 10% 16% 4 7/14	311/ 311/ 9 10 10

political star has risen lately, but he

O How Immigrants Are Helping The U.S.

O Did U.S. Corporations Help Saddam?

BusinessWeek international 14, av d'Ouchy, CH-1006 Lausanne Tal. 41-21-617-4411 NOTICE OF REDEMPTION TO THE HOLDERS OF ECU 40,000,000 THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V. 11 1/2% GUARANTEED BONDS DUE 1993

NOTICE IS HEREBY GIVEN that pursuant to paragraph 6(b) of the Terms and Conditions of the above Bonds and In conformity with the Fiscal Agency Agreement dated as of 9th August 1983, ECU 4.500,000 in principal amount of the above Bonds will be redeemed on 9th August, 1992, at par (the redemption price) together with accrued Interest thereon to said redemption date.

The drawing has taken place on 24th June, 1992, in Luxembourg.

to another number, both Inclusive:							
817-951	1652-1861	1962- 2153	4254-4271				

817-951	1652-1861	1962- 2153	4254-4271
5072-5141	5342-5419	5520- 5 5 58	5659- 5679
5780-5857	6158-6217	6818-6858	6959-7136
7337-7437	7638 - 7701	8802-9016	10168- 10258
12059-12202	12303-12357	12658- 12767	13137- 13236
13465-13514	14315-14518	14619- 14664	15278- 15377
17646-17745	18557-18569	18870- 18919	19020- 19056
19259 - 19305	20906-21055	21156- 21166	21267-21273
24374 - 24393	24694-25038	25139- 25167	25268- 25483
25584-25622	25823-25900	26001-26058	26279-26310
26411-26473	26574-26578	29445-29449	30650-30729
30830-30853	30954-31021	31122-31344	33391-33403
34104-34193	34294 - 34306	34407-34590	35476-35541
35642-35675	J. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	• • • • • • • • • • • • • • • • • • • •	

The following bonds, called for redemption on 9th August 1988, have not yet been presented for the payment:

22519-22520 B044-8048 The following bonds, called for redemption on 9th August 1989,

1428

560-569

have not yet been presented for the paymant:

11341 - 11344 12592-12600 24145- 24146 The following bonds, called for redemption on 9th August 1990.

have not yet been presented for the payment:

3347-3356 2850-2882 6764-6778 8200-8214 6781-6782 11043-11044 12601-12606 14263 21096 18494 - 18495 18501-18503

> The following bonds, called for redemption on 9th August 1991, have not yet been presented for the payment: 602-607 593-594

3953-3955 1641 - 1644 3560-3564 3571-3576 3993-4029 5242-5246 5249-5341 3962-3965 5777-5779 5737-5743 7322-7325 7252-7254 8778-8786 8636-8638 8714-8715 8768-8773 9433-9435 9358-9361 9394 10876 11100-11119 10869 - 10873 11837- 11852 11822 - 11832 12227 - 12228 12231-12233 18990-18998 20377-20383 20386-20396 20833-20835 20430-20437 20878 23502-23523 23490 - 23494

11990-12017 11472-11483 12216-12221 17408- 17424 15079 - 15113 20029-20033 17453 - 17457 20351 20400-20402 20407-20417 23593-23594 23865-23875 23915 23733-23756 24069-24073 24041-24042 24058 23917 - 23918 24235-24238 24359-24373 24204-24223 29345-29442 Amount outstanding after 9th august, 1992: ECU 4.000.000

Interest on the Bonds to be redeemed will cease to accrue on the redemption date. On such date the

redemption price will become due and payable on each of said Bonds and payment therefor together with accrued interest will be made at any one of the following paying agents: the office of Societe Generale Alsacienne de Banque, Brussels branch, the office of Societe Generale.

London branch, the office of Credit Suisse Zurich and the office of Societe Generale Paris upon presentation and surrender of said Bonds with all coupons attached maturing after said redemption date. In the event that any such coupon is not so attached, the amount of said coupon will be deducted from the redemption price.

Coupons which shall mature on, or shall have matured prior to, said redemption date should be detached and surrendered for payment in usual manner.

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V. BY SOGENAL

SOCIETE GENERALE GROUP 15, AVENUE EMILE REUTER LUXEMBOURG THE PRINCIPAL PAYING AGENT

RUSSIA: Yeltsin Wins a Victory on IMF Assistance currencies. A stable ruble, in turn. G-7 Help Is Likely (Continued from page 1) helps to attract foreign investment Chancellor Helmut Kohl of Gerand encourage foreign trade - two Bank and \$11 billion in direct cred-

its from Western governments. other IMF goals. The IMF has also pressed for Before his meeting with Mr. Candessus, Mr. Yeltsin said that what it describes as a stable ruble zone. Under this requirement, all the IMF would have to ease its the members of the Commonstandard requirements because wealth of Independent States using Russia is unique, and its reform is the ruble as their currency must agree to a single monetary policy, imone" The IMF, however, eased up

the slightly, accepting, for exam-ple, a monthly inflation rate of 7 Russian central bank. The agreement reached Sunday Percent to 9 percent instead of the 3 sidesteps this issue by stating that percent limit it once had sought. Russia and the other states will take steps to define the ruble zone The actual inflation rate in Russia and work out procedures to be folnow is about 14 percent monthly. lowed by those republics that want according to government officials. to switch from the ruble to their The IMF proposals mainly seek to strengthen the ruble so that it is own currencies.

many indicated that the Group of ers this week empty-handed. Mr. Wednesday.

preferably one controlled by the

Seven would make some concessions to Russia. He said he did not think Mr. Yeltsin would leave the Munich meetings of the G-7 lead-

Yeltsin is to consult the G-7 on Japan remains reluctant to support debt relief for Russia but it seemed prepared to go along with the other government creditors if they thought it was necessary.

A Japanese Foreign Ministry spokesman said in Munich that official debt relief must be discussed with the Paris Club, which represents creditor governments in international lending.

This week's topics:

O The World's 1000 Most Valuable Companies

O IBM Drops A Bomb On German Labor

O Japan's NEC Turns To U.S. Science Now available at your newsstand!

For subscriptions call UK 44-628-23431 Hong Kong 852-523-2939

union in September.

Industrial Index, losing 8.59 points.

411.67 million Singapore dollars.

Keppel securities were active.

Keppel stock was unchanged at

7.60 dollars. Incheape fell to 6 dol-

francs, to 3,752.

lars from 6.20.

WORLD STOCKS IN REVIEW

Amsterdam

Prices slipped in light trading. with the CBS all-share index down 0.20 points, to 206.00 last week. Volume rose to 7.6 billion guilders, of which 2.5 billion was in

equities, up from 7.1 billion guilders the previous week, when 2.4 2.10 to 281.20, and Hoechst lost billion was in stocks.

Hoogovens lost 7.5 percent of its value, ending the week at 48.40 guilders. The steel company said it would reduce investments this year because of price developments for

The weakening dollar pressured international companies such as KLM, which fell in 34,30 guilders from 36.60, and Akzo, the chemicals concern, which dropped to 147,00 from 148,20.

Frankfurt

A favorable economic outlook helped boost prices last week. The DAX spot trend index gained 1.3 percent, to 1,776.98 points. The Commerzbank index added 0.6 percent, rising in 1,977.7 points.

The bourse was helped by betterthan-expected German economic performance and relatively good results reported by some companies for last year. But waning hopes for an interest-rate cut and the handicap exporters suffer as the dollar veakens made investors nervous. Volume on the eight German

stock markets rose to 32.0 billion Deutsche marks from 25.6 billion. Banks were firm, with Deutsche rising 22.10 DM to 710.40, Com-

merzbank up 9.00 DM to 260.50 and Dresdner gaining 8.20 to 351. Chemicals lost ground. BASF shed 1.60 DM to 241.40, Bayer fell

2.40 to 251.50.

Hong Kong

HONG KONG — Uncertainty over Hong Kong's multi-billion dollar airport project sent stocks lower last week, knocking 51.25 points, or 0.84 percent, off the Hang Seng m-dex, which closed at 6,061.85.

Average daily volume rose to 4.053 billion Hong Kong dollars

opened talks Friday over financing of the airport.

Jardine Matheson, the diversified trading house fell 3.50 dollars to 62.00 while Wharf Holdings slipped 50 cents to 17.30. Hongkong & shares but up Shanghai Bank bucked the trend, previous week. rising 2 dollars to 50.00 dollars.

London

Prices fell for the sixth straight week, burdened by the weight of poor economic news. The Financial Times-Stock Exchange index of 100 leading shares shed 37.0 points, or 1.5 percent, to close at 2,497.1.

Lacking significant official indi- CIR was down 5.19 percent and cators, the market focussed on re- Fiat slipped 4.20 percent. ports from the Organization for Paris

Economic Cooperation and Development, London Business School and National Westminster Bank, all of which revised their economic projects downward. The difficulties of British Petro-

CAC-40 index lost 1.5 percent, closing at 1,886.35. leum and a reduction of the dividend by British Steel created fears Investors were taking a wait-and-see attitude ahead of the of a widespread cut in dividends in

recession-hit companies.
British Steel, which posted its first annual loss since it was privatized in 1988, fell to 64 pence from 67, while BP was unchanged at £2.09.

Milan

from 3.785 billion.

The weakening lira pushed the MIB index 3.96 percent lower, hringing the key gauge's cumulative loss for the year to 12.7 percent. The MIB, which begins each year at 1,000, ended last week at 873. Volume was low at 35 million

> The weakening lire depressed the market. On Sunday, the Bank of Italy raised interest rates to defend the currency and the new government said it would cut the expected 160 trillion lire deficit by 30 trillion

shares but up from 32 million the

through a package of spending cuts and tax increases. Among blue chips, Pirelli lost 5.18 percent, Olivetti shed 6.35 percent,

Tokyo

The rise of the yen against the dollar sent prices higher, with

heavy buying by investment trusts. The Nikkei Stock Average of 225 selected issues gained 905.05, or 5.7 Prices fell in uncertain, quiet trading on the Bourse, where the percent, to close at 16,717.78, breaking a four-week string of losses. The Tokyo Stock Price Index posted a 62.10-point gain, ending at 1,293.55. Daily average turnover was 253.6 million shares worth 208.7

Group of Seven summit opening in Munich on Monday and some ana-Munich on Monday and some ana-lysts said they may remain cautious shares worth 199.7 billion yen. After falling to the year's low of 15,741.27 year on Monday, the market turned bullish Tuesday as the until a referendum in France on European economic and monetary Eurodisney [ell 5.30 francs, 10 105.10. LVMH dropped 178 yen rose in the 125-yen level, giving rise to hopes of U.S. and subsequent

Japanese monetary easing. The most outstanding performer was Nippon Telegraph & Telephone, which climbed to 629,000 Singapore
Prices fell, with the Straits Times yen from the previous week's re-

cord low finish of 580,000 yen. Zurich

to 1,484.10 points, and the SES all-Singapore index off 1.03 points, to The Zurich stock exchange post-ed moderate gains in light trading. Dealers said a spate of unimpressive half-year corporate reports with the Swiss Performance Index contributed in the poor sentiment. Volume for the week fell 19 per-cent, to 168.6 million shares worth

rising 18.38 points, to 1.181.63.

The weakening dollar and high domestic interest rates dampened sentiment and foreign investors

mostly stayed away.

Among banks, SBS gained 11
Swiss francs to 262 and CS Holding was up 55 to 1,790.

Taiwan Exports Fall **And Inflation Dips**

TAIPEI — A less-than-expected stabilize the Taiwan dollar because rise in Taiwan's consumer price index announced Sunday fostered sumer price index rise. speculation of an interest-rate cut, while a sharp rise in the value of the Taiwan dollar currency cut the country's trade surplus for June by

more than half. Taiwan's trade surplus plunged to \$530 million in June, down 69 percent from a year earlier.

The consumer price index rose 5.17 percent in June from a year carlier. The rate was lower than the 5.5 percent forecast earlier by the the Directorate General of Budget, Accounting and Statistics. The agency said the rate reflected the government's attempts to curb in-

Food prices registered the highest gain last month, rising 8.5 per-cent from a year ago. Medical costs increased 6.2 percent, education and entertainment 5.52 percent

and housing 3.27 percent.

Last week, the government revised its forecast for this year's inflation rate in 4.2 percent from an earlier forecast of 3.5 percent. Officials said the change was caused by higher prices for food and services.

The Economic Daily News,

quoting unnamed sources, said the Central Bank may reduce the key lending rate, now 6.125 percent, to

On Friday, the Taiwan dollar hit a record of 24.5200 against the U.S. dollar. It was around 27 at the middle of last year.

Officials and economists expressed concern over weakening exports, which helped to fuel an annual gross national product growth rate of 7 percent in the first

A big jump in imports of equipment and materials for infrastructure projects also cut the trade surplus, the Finance Ministry said

"The stagnation of exports and the slowing of growth in exports to Hong Kong is a clear warning," said Yu Tsung-hsien, head of the private Chunghwa Institution for Economic Research.

"If local industries cannot upgrade themselves rapidly to compensate for the flight of labor-mtensive industries overseas, we cannot be optimistic about future export growth," he told the Economic Daily News.

Economists said the rapid rise of the Taiwan dollar is reducing the competitiveness of exporters.

(AP, Reuters)

China Gets , 2 Market Watchdogs :

Agence France-Presse BEIJING - China has taken steps to bring its booming securities market under control amid unauthorized share issues and rampant specula-tion, the China Daily reported Sunday.

A new committee to supervise development of the country's stock markets will be headed by Li Guixian, gover-nor of the People's Bank of China, the central bank, the report said.

A separate semiofficial group, the China Securities Supervisory Committee, will be set up soon as a watchdog. The absence of an authority to oversee the market had led to a growing number of violations. China has two exchanges, in

Shanghai and Shenzhen, although over-the-counter trading is allowed in many cities. At least three provinces recently issued shares without, central bank approval. A complicated issuing system bas created a black market for cer-

tificates to purchase stock.

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SPORTS BAS

Reds Sweep Pirates In Series Pitting **Division Leaders**

PITTSBURGH - The Cincin-

nati Reds wasted a succession of nan Reds wasted a succession of scoring chances, then got two sacri-fice flies off Doug Drabek in the eighth inning Sunday for a 2-1 vic-tory over the Pittsburgh Pirates and a four-game sweep.

Cincinnati held the Pirates to

seven runs in the series, a showdown of division leaders. Paul O'Neill and Chris Sabo hit sacrifice flies after Drabek pitched

NATIONAL LEAGUE

out of threats with the help of three double plays in three innings. Reds starter Chris Hammond retired 13 consecutive batters at one point and limited the Pirates to Don Slaught's first-inning RBI single over six innings. Rookie Tony Menedez pitched a scoreless sev-enth for his first major league vic-

turchase stock

tory, and Norm Charlton got six outs for his 19th save. Astros 2, Mets 0: In New York, Houston's Eric Anthony hit a tworun bomer in the 10th inning as the Mets suffered their 10th shutout of

. Mets' starter Pete Schourek gave up just three hits in eight shutout

Cubs 8, Braves 0: In Atlanta, Kal Daniels hit a grand slam and three teammates homered as Chicago ended a seven-game winless streak in Atlanta.

Ryne Sandberg and Mark Grace hit consecutive home runs in the first inning and Andre Dawson homered in the third. Daniels, acquired from Los Angeles on June 27, hit his first home run for the Cabs in the seventh.

In Saturday's games:
Cardinals 1, Giants 6: In San
Francisco, Todd Zeile's two-out single in the 13th drove in Felix Jose to give run-starved St. Louis a

The Cardinals have scored just three times in their last five games and their latest weakness at the plate let down starting pitcher Bob Tewksbury. He pitched through the 11th and walked no one for the fourth straight game. Tewksbury lowered his major-league leading ERA to 1.82. Mike Perez worked the 12th inning for the victory.
Reds 5, Pirates 2: In Pittsburgh, Greg Swindell pitched a five-hitter

for Cincinnati for his fifth straight

The Reds got a run-scoring single from Joe Oliver in the second and an RBI double in the fifth by Barry Larkin against Pittsburgh starter and loser Victor Cole. Cole is the first Russian-born pitcher in the majors in 75 years.

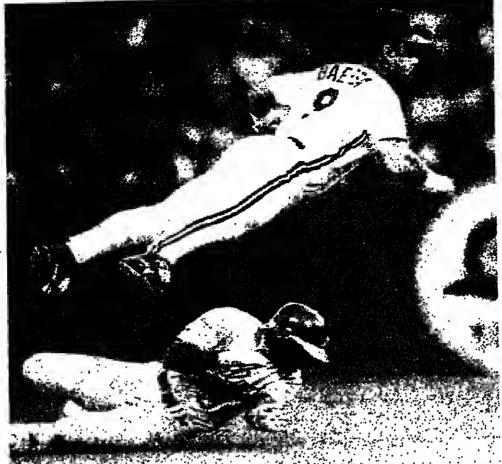
The Reds scored three more in

Mets 5, Astros 3; Astros 3, Mets 1: In New York, Dwight Gooden won for the third time in four starts as the Mets beat Houston in the opener of a doubleheader.

Eric Anthony's run-scoring single off Anthony Young led Houston to victory in the second game.

Phillies 3, Dodgers 2: In Los Angeles, John Kruk, the National League's leading hitter, ended his longest simm of the season with a two-run homer for Philadelphia and Terry Mulholland won for the ninth time in his last 10 decisions.

Expos 3, Padres 2: In San Diego, Marquis Grissom's run-scoring sin-gle in the 10th inning lifted Mon-



Braves 4, Cubs 2: In Atlanta, Jeff
Blauser and Brian Hunter hit home
runs for an early lead that held up.

Cleveland Indians' second baseman Carlos Baerga sailing over the Oakland Athetics' Jerry Browne
runs for an early lead that held up.

Cleveland Indians' second baseman Carlos Baerga sailing over the Oakland Athetics' Jerry Browne
runs for an early lead that held up.

Blue Jays Power to Victory Over Angels

TORONTO - Joe Carter, Candy Maldonado and Devon White hit home runs and the Toronto Blue Jays won their fourth in a row Sunday hy beating California, 6-2.
It was the Angels' seventh straight loss.
David Wells and Mike Timlin combined on a

three-hitter for Toronto.

Carter hit his 18th homer, a two-run shot in the first that put Toronto ahead, 2-1. A dropped fly ball and a wild pickoff throw by California catcher Mike Fitzgerald, coupled with a Greg Myers double, helped Toronto

score two more in the second inning.

Maldonado led off the fourth with a home run, and White homered into the second deck in right field in the seventh inning.

White Sox 4, Red Sox 2: In Chicago, George Bell hit his ninth career grand slam and second of the season, and the White Sox beat Boston for their 12th victory in 15 games,

Greg Hibbard allowed two runs on three singles and five walks in seven innings to get the win. Scott Radinsky struck out Phil Plantier with men on second and third to end the eighth, then pitched the month for his fourth save... Twins 2, Orioles 1: In Minneapolis, Kent

lead for the second successive game as Minnesota rallied to beat Baltimore.
The Twins, who beat Baltimore on Saturday

on Chili Davis's extra-inning single off Olson, have now won eight of their last nine games.

Rick Sutdiffe began the ninth with a 1-0 lead, but gave up Randy Bush's one-out infield single and Donnie Hill's pinch-double. Pinch

AMERICAN LEAGUE

hitter Gene Larkin was intentionally walked to load the bases and Olsoo relieved Sutcliffe.

Olson got Chuck Knohlauch to ground to second, but Knohlauch beat the double-play relay as Bush scored to tie it. Kirby Puckett walked to reload the bases before Hrbek bounced one to center field against a defense that was playing him to pull to right.

Tigers 8, Mariners 5: In Detroit, the Tigers chased Seartle starter Rich DeLucia in the first

inning, scoring five runs that set them on the path to victory.

After the Mariners scored twice in the first,

Hrbek grounded a two-out RBI single in the ninth inning off Gregg Olson, who blew a late the Tigers' half, tying it. Seattle shortstop Jeff the Tigers' half, tying it. Seattle shortstop Jeff Schaefer lost Mickey Tettleton's popup for a ruo-scoring single. After Dan Gladden's single loaded the bases, Juan Agosto relieved. A grounder by Scott Livingstoce and an infield single by Mili Cuyler added two more.

In Saturday's games: Twins 3, Orioles 2: In Minnesota, Davis's two-out, two-run single in the 15th inning rallied the Twins in their loogest game since 1986 4 hours, 40 minutes.

Rangers 4, Yankees 1: In Arlington, Texas, Nolan Ryan limited New York to three hits and struck out an American League season-high 13, Mariners 4, Tigers 3: In Detroit, Ken Griffey Jr. scored the winning run for Seattle on Jay

Buhner's two-out single in the 10th.

Red Sox 2, White Sox 1: In Chicago, Scott Cooper drove in both runs and Joe Hesketh pitched three-hit ball over seven innings.

Blue Jays 8, Angels 6: In Torooto, White's sixth-iming sacrifice fly capped Toronto's comeback from a five-run deficit. Indians 8, Athletics 1: In Cleveland, the Indi-

ans extended their dominance of Oakland to six straight games.

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Johnson's Time Is Still Now

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Retired NBA Star Relishes Key Role on Olympic Team

By Harvey Araton

PORTLAND, Oregon -- Outside the playing arena, he is ex-pected to spread a message, carry the political football for the batthe against a killing disease. But the only ball Magic Johnson has ever truly wanted to carry, to advance, is round.

He finds he can no longer repress that feeling. Not oow, not here, perhaps oot until his body finally demands that he must.

"This is where I belong," said Johnsoo, standing courtside here before the U.S. Olympic team had played its first game in the Tournament of the Americas, which concluded Sunday with the United States meeting Venezuela. The Venezuelans advanced to the final by upsetting Brazil, 100-91, in the semifinals Friday night. The United States beat Puerto Rico, 119-81.

Before the U.S. team played its first game, a game between two other countries was being hotly contested. Johnson was oot scouting, just watching, itching 10 put on the uniform and get going. His fingers appeared to twitch as he spoke, as if they possessed their own sense of anucipation.

Johnson, at 33, couldn't wait to play on the 1992 U.S. Olympic

team. It showed.
"He's hig, be's strong and he's
out there doing all the things he's
ever done," said David Robinson.

The best part, as always, is the way he does it. Those who hold the position that National Baskethall Association multimillionaires should not be here, that they are merely willing tools of the NBA expansionists in the crass commercialization of the Olympics, are on high moral ground. But they tend to lose a bit off the old fastball when the subject comes to Johnson.

See him in the open court, then down the lane, in the air, looking left, flipping the ball over his shoulder to the trailer coming right. More than 12,000 in attendance and millions in their living rooms were likely realizing just what a wonderful show this really is, and how much they've missed it since last November, when it abruptly closed.

See him pump his fist after faking a pass on the break, will-

Sales in Nel 1905 High Low Close Chips

ing the defender out of his path. laying the ball gently over the rim and into the oet. The defender might bave been an unknown Canadian point guard, but Johnson, as it turns out, was celebrating something far greater than two meaningless points.

"The last thing I would ever want to do is show someone up, no matter what the level of competition is," he said. "But I'm so happy to be back out there that

'A lot of people say, "He shouldn't be out there, he has the AIDS virus." But this is what I do, who I am, and it feels so good to do it again.'

sometimes it's hard to control myself.

"I know a lot of people say,
'He shouldn't be out there, because he has the AIDS virus.' But this is what I do, who I am, and it feels so good to do it again."

Promotiooal octwork talk and sponsors' hard sell are every-where. Michael Jordan runs on ad infinitum about his golf score. Charles Barkley bounces balls off the back of officials' heads and curses them in a language some don't understand, Karl Malone mouths silly slogans reflecting xenophobia.

What Johnson does is flash that famous feel-good smile, push the ball up the court and bring to this "Dream Team" of marketing its least contrived bursts of invention. He brings together 12 agendas and egos. "I told all these guys the first

day of practice, 'I'm here to get in shape, to play hard, to win,' " said Johnson. "I said, 'If any of you aren't here to do that, then you shouldn't be here." He has shown no warmess, no

sense of vulnerability that these are unusual teammates unaccustomed to such internal prodding.

"These guys know I know the game inside out." said Johnson. They respect that."

For Johnson, there are no tentative thoughts that his retirement after testing positive for HIV casts him in a less commanding light. And his personal Olympian quest has been to avoid being cast aside as the world's most famous celebrity leper, to prove he can not only still play but be seen as

who he was.

"As comfortable as he is doing it, it's just as comfortable for us. said Chris Mullin. "You expect that from him. You see him clapping out there and getting after people when we have a lull."

Said Robinsoo: "He expects the best from you, and you al-most feel like you owe it to him."

The U.S. coaches claim they did not ask Johnson to assume this role, that his and Larry Bird's appointments as co-captains were, more than purposeful, sentimental and ceremonial.

"Listen, with this level of player, you can't tell anyone to be the leader," said P.J. Carlesimo, one of Chuck Daly's three assistants. But I think the other guys are fascinated by him, by everything he does. I know the coaches are."

With each strong burst to the rim, with every no-look pass, the debate among the players grows. Will Johnson return to the Los

Angeles Lakers oext season?

Carlesimo estimated that the team's vote was running even. But the only ballot that counts won't be cast, Johnson insists, until later this summer.

Johnson does oot mind being asked about it. Even if the coming Olympics are the end of the long prosperous road for Magic Johnson, the thought that so many would love him to continue playing makes today that moch easier, makes him that much more, in Robinsoo's

words, happy-go-lucky. Here, with the ball, he is oot scolded by activists or critics for speaking the politically incorrect line. He is not asked to contemplate the possible nightmare that awaits him. He is oot asked to bear his soul, only to deliver the ball, to light up each moment as

"I play for the moment," said

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INTERNATIONAL HERALD TRIBUNE

NDAY SPORTS

Mansell Gets Things Back to Normal

The Associated Press

Nigel Mansell returned to the winner'e lane Sunday as he won a raininterrupted French Grand Prix on Sunday, his sixth victory in eight races this season.

Mansell won hy 46.447 seconds over his Williams-Renault teammate Riccardo Patrese. They were far ahead of the field as rain plagued the race over the last 30

Martin Brundle of Britain finished third in a Benetton-Ford. It was the 27th career victory for Mansell in Formula One racing to tie him for third with Jackie Stewart. Alain Prost leads with 44 wins. A shower stopped the race for

about 20 minutes during the 20th lap. The cars restarted with their positions hased at the end of 18 laps when Patrese had a lead of 0.935 second over Manseli. The restart reduced the race to 69 laps from the original 72 laps.

At the end of the first lap of the restart, Patrese waved Mansell past him to give the Briton the lead. "He waved me through hut he won't tell me why." Mansell said.

"Let's say that Nigel was press-ing me very hard and I thought it was the best for the team to let him go," Patrese said. He offered a "no comment" as to whether he was under team orders to let his team-

Mansell had the pole position hut Patrese beat him to the first turn. In the first 18 laps, Patrese held off Mansell although Mansell was always looking for a chance to pass. At the end of the 19th lap, on the straightaway in front of the starting line. Patrese moved over and Mansell went by.

Mansell stretched his lead to win MAGNY COURS, France - at Magny Cours for the second consecutive year.

Mansell took the first five races of the season before Ayrton Senna won at Monaco. Mansell then dropped out of the Canadian Grand Prix two weeks ago after spinning off trying to pass Senna.

Senna, the three-time world champion, lasted less than a lap Sunday when he ran into Michael Schumacher of Germany at the Adelaide hairpin. Schumacher was trying to pass on the inside. They both went off the track.

"Schumacher just came and hit me from behind." Senna said. "I think be totally misjudged his speed and his braking point."

Schumacher returned to the race but went out after the second start when he crashed at the same corner that stopped him the first time.

Senna's McLaren-Honda teammate, Gerhard Berger, lasted just 10 more laps before he went out in a puff of smoke.

"The engine just stopped and as I pulled over a small fire started," Berger said.

Periodic showers over the past two days had kept the track wet and it rained just before the race. It held off for about 25 minutes but came back to cause the starter to stop the race as cars were starting to slide.

The rain returned after 42 laps and the drivers came in for rain tires. By that time Mansell was able to come in and out of the pits without his lead being threatened

by Patrese. Mansell timed 1 hour 38 minutes, 8.459 seconds for the 69 laps of the 4.25-kilometer (2.64-mile)

Bike-Crazy San Sebastián Embraces 79th Tour

By Samuel Abt

SAN SEBASTIAN, Spain The Sanchez furniture store in the Plaza de Zaragoza in San Sebastian has a front window packed with hicycle jerseys, caps and posters, including a giant one of Miguel Indurain on the victory podium in Paris last year after be won the Tour de France.

The Kasvi barber shop on the Alameda del Boulevard has in its window one of the leader's yellow jerseys that Indurain wore on his way to Paris.

On the Calle de Reina Regente, a bakery has a huge photograph of the Basque rider Marino Lejaretta in a yellow jersey, which he wore briefly a few years back. Also in the window are two signs with the battle cry "Aupa" flanked by somersaulting exclamation points in the Spanish manner.

A delicatessen in the Avenida Felipe IV displays the work of an artist in the neglected medium of cold cuts. He has mapped, in chorizo, the route of this 79th Tour de

In short, San Sebastián has taken El Tour to its bosom. That is not surprising, since the Basques of northeastern Spain love bicycling and boast a dozen riders in the Tour and 23 amateur bicycle clubs

in the three Basque provinces.

That love is the reason San Sebastián was willing to pay \$1 mil-lion to be host to the Tour on its first visit here since a one-day

This charming seaside city of 180,000 residents is part of the heart of the Basque country, per-haps the aorta. On Sunday the Tour traveled 194.5 kilometers (121 miles) through the auricles and ventricles.

At the finish of the race into and past the cities and pueblos of Vizcaya would have capped his last season as the undisputed Guipuzcoa Province, the winner strongman, the iron horse, of prowas Dominique Amould, 25, a fessional bicycle racing.
But in mid-April, not long be-Frenchman with the Castorama team from France. Second, half a

fore his 35th birthday, Lejaretta bicycle length behind, was Johan crashed in a race outside nearby Museeuw of the Lotto team from Bilboa. When he awoke in a hospi-Belgium and third was Max tal he had broken ribs, a punc-Sciandri of the Motorola team.
In his excitement at having held tured lung and fractured vertebrae in his back. His career was over. off the pack after a lengthy break-Now a guest of honor of the away. Arnould raised his right Tour de France, he cut the cerearm in victory less than 10 meters from the finish. He then glanced

monial ribbon for Sunday's stage. This is the first Tour de France hack, saw a horde of riders bearthat Lejaretta has not ridden in since 1985. It is, in fact, one of the ing down on him and resumed racing not coasting Museeuw few of the three grand tours he was not quite able to catch the has missed since then. Although all the favorites fin-Almost unbelievably, for the ished in the same time, the overall

last three years he has ridden in the Giro d'Italia, the Vuelta de Espana and the Tour de France
- a total of about 11,375 kilometers from each mid-May through All told, he rode 11 Vueltas, 7

champion, dropped to third place behind Arnould in second place Giros and 8 Tours. He rode them well, too, finishing fifth in the 1989 and 1990 Tours de France, fifth in the 1991 Giro and third in the Vuelta the same year.

The only other rider who has ridden in all three tours for three consecutive years is Bernando Ruiz of Spain, who did it in 1955, '56 and '57. Nowadays, a rider who tackles two of the tours in the same year is considered to be a workaholic.

Lejaretta did not ride simply the tours once he turned professional in 1979. He competed in nearly every race possible in the eight-month calendar and rode them well. Among his 56 victories are the Vuelta in 1982, two Tours of Catalonia and three Grand Prix of San Sebastián.



A triumphant Dominique Arnould finishing just ahead of Johan Museeuw to win the Tour's first stage on Sunday.

Like Zuelle, the new wearer of the yellow jersey, Lejaretta rode for the team sponsored by ONCE, the Organizacion Nacional de Ciegos Españoles, or national federation for the blind. Among other jobs, they staff lottery booths throughout Spain, selling tickets and making change by feeling the size and texture of pe-

A huge ONCE poster at several

strategic spots in Basque country shows a sightless man wearing a racing jersey and sitting alongside a bicycle.

Above his head, the poster says, "The Other Marino." It is both mawkish and touching.

Traveling the stage in an organization car Sunday as an honored guest, not a racer, the origi-nal Marino surely understood

Krabbe: Mental Toll Too High

FRANKFURT - The champion sprinter Katrin Krabbe says that the mental strain of a fourmonth doping investigation left her unable to get ready for the Barcelona Olympics.

"I had great difficulties in the last four, five months, too much stress." Krabbe said on German television Sanurday in explaining her decision to skip the Summer Games. "I couldn't concentrate on my training and I could not get ready for the Olympics in three weeks."

The statement came a day after officials announced her decision to skip the Olympics, which open July 25. Krabbe said she planned to resume competition in the fall.

Two other German sprinters who were involved in allegations of drug-test manipulations. Grit Breuer and Silke Möller, also have decided to skip the Games.

Möller, 28, said she was retiring. The Olympics were supposed to he the high point of my career," she said, "but my motivation is down after the long legal strife."

The three sprinters were banned for four years by the German Athletics Federation in February for alleged manipulation of drug tests.

Although they contained no traces of drugs, urine samples submitted by the three were found to have come from the same person.

Following a full investigation, the ban was lifted by the German federation and, on June 28, by the International Amateur Athletics Federation.

SCOREBOARD

Major League Standings

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Friday's Line Scores

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HR—Minnesota, Larkin (5).

leader's yellow jersey changed

and Alex Zuelle, who took over

the lead by winning a bonus inter-mediate sprint and gaining six seconds that were deducted from

Zuelle, a Swiss who rides for

the ONCE team, was second by two seconds to Indurain in Satur-

day's prologue.

That foreigners finished first, second and third in the first stage

was fitting. This is Blanche Du-

bois country: kindness to strang-

ers is as native to the Basque as to

yearned for another victor, Mari-

no Lejaretta, for example, the

man in the yellow jersey in the

of victory as recently as this spring.

A victory before his fellow Basques

As he says, he was still dreaming

bakery's photograph.

Yet many hearts must have

the bedouin.

his overall elapsed time.

Miguel Indurain, the defending

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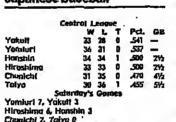
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New York, Bonilla (18).

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(9) and Hernandez, W—Mulholland, 9-4, L—
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St. Louis 800 000 900 000 1—1 6 1 San Francisco 866 600 600 600 8—0 9 0 (12 Innipest) Tewkstury,Carpenter (9),Worrell (11),Pe-rez (121.1_Smith (13) and ; Oliverss. Hickerrex (12), L. Smith (13) and ; Olivers, Hickerson (7), M. Jackson (7), Beck (11) and , W. Perez, 6-1, L. Beck, 6-3, Sv. L. Smith (19).

001 001 000 1-3 7 2 010 000 010 0-2 0 0 Nobholz, Fassers (8), Welteland (8), Rolas (10) and Fleicher; Elland, Rodriguez (4), Maddux (8), Melendez (9) and Walters, W— Watteland, 1-2, L-Melera (4) HR-Son Olego, McGriff (17).

Japanese Baseball



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AUTO RACING

French Grand Prix

Grand Prix, which ended offer 49 laps of the projected 72-km roce on the 4.57-kilostetler (2.654-mile) Magny Cours circuit in Nevers: 1. Nigel Mansell, GB, Williams-Renault, 49 loss. (2.634-mile) Magay Cours chrodiin Navars: 1. Nigel Monsell, GB, Williams-Renoult, 81 lost, 38 minutes, 84.89 seconds; 2, Riccardo Patrese, Italy, Williams-Renault, at 46.47 seconds; 3, Martin Bryndle, GB, Benetton Forst, Iminute, 12.579; 4, Mika Hokkinen, Finland, Latus Ford, 68 loss; 5, Erik Comes, Franco, Llater-Renoult 68: 6, Johnny Herbert, GB, Johns Ford, 68; 7, Michele Alboreta, Italy-Footwark Aussec-Hondo, 68; 8, Gianni Morbidelli, Jioty, Minardi Lomborghial, 68; 9, J.J. Latta, Finland, Dallara Ferrart, 67: 10, Plen-Lutat Martial, Italy, Dallara Ferrart, 67: 10, Plen-Lutat Martial, Italy, Dallara Ferrart, 67: 10, Cityler Groutifact, France, Tyrrell (Imar, 66, Drivers Warld Championship Standings (affer 8 roces); 1, Mansell, 66 points; 2, Potress, 34; 3, Michael Schumacher, Germany, 26; 4, Ayrion Senna, Brazil, 18; 5, Gerhard 26; 4. Ayrton Senzo, Brozil, 18; 5. Gerhan

Berger, Austria, 18; 6. Jeon Alesi, Ferrari, France, 11; 7, Brundle, 9; 8, Alboreta, 5; 9, Hakkinen, 4; (ite) Andreo Decesaris, Italy, 4

Top finishers in the Tour's prologue, an 8-kilometer (5-mile) individual timetrial in San Sebastian, Spain: 1. Miguel (ndurak. 500/n. Switzerland, ONCE_2 seconds behind J. Thier-ry Marte, France, Castoruma, 3, 4. Jelle Nil-dam. Netherlands, Buckler, 4; 5. Armand de las Curvos, France, Bonesta, 11; 6. Altor Gor-mendia, Spain, Bonesta, 12; 7. Rau) Alcala, Medica. PDM, some time; 8. Glanni Busno. Mondelle Point, some time; a. Global Bostal.
Italy, Gatarode, some time; a. Global Bostal.
Italy, Gatarode, some time; 10.
Vlotcheslov Ekimov, Russia, Panasonic, 11.
Top finishers in Sunday's 1st stage, a 1945kilometer (122-mile) run starting and endies
in Son Sebastian: 1. Dornahque Arrould,

econds: 2 Johan Museeuw, Beloium, Lotta, seconds; 2. Johan Musseow, betsiam, Lutti, sumelline; 3. Maximillan Scientift, Tholy, Mo-terolo, same time; 4. Jesser Skibby, Dem-mark, TVM, s.L.; 5. Harold Marst, Austria, PDM, s.L.; 6. Richard Vines.un; France, S.Mo, s.L.; 7. Roff Golz, Gertachy, Ariosico, s.L.; 8. Marc Sergeant, Belgium, Panascolc; 9, Sean Kelly, Ireland, Festina, s.J.; 10. Jan: Heponer,

Kelly, Ireland, Festing, s.J.; 10. Jeta Heopher, Germany, Tolekotn, s.L. Overati stundings; 1. Zuetle, 4 hours, 46 min-utes, 57 seconds; 2. Armould, 3 seconds behind: 3. Induraln, 4; 4 de los Cuevas, 15; 5. Alcolo, 16; 6. Bugno, s.L.; 7. Ekimov, 17; 8. Eric Braydink, Melherlands, PDM, 18; 9, Pascal Lina, France, RMO, s.L.; 10. Grep LeMand, U.S., 2, s.J.

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RUGBY

Wimbledon Andre Apassi (12), U.S. del John McEnro U.S., 64, 62, 63; Goran Ivanisevic (8), Cro-atio, def. Pate Sampros (5), U.S., 67 (47), 7-6

Switzerland, 7-6 (7-4), 6-3, 7-6 (7-4),

Wanten's Danbles Semifical Jano Navelna, Czechosłovskia, and Larisa Javrotiovs and Pam Shriver (4), U.S., 7-5-6-7

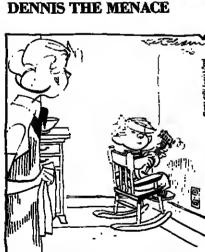
(3-7), 6-3.
Woman's Doubles Final
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BASKETBALL

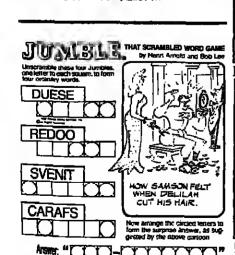
Olympic Qualiflers

EUROPEAN TOURNAMENT

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For investment information

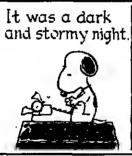
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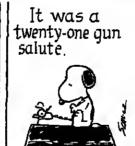
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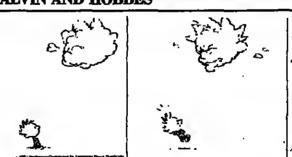




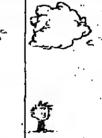
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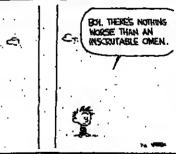


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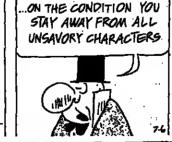






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Agassi Proves That He's Got It, and Graf That She Hasn't Lost It

A Strenuously Silent Seles Chalks It Up to Experience

In the locker-room during the WIMBLEDON, England — No delay, Seles dwelled on the grunting issue as she read fan mail. g champion, won her fourth Wim-bledon title in five years. Though the metch lasted 5 hours 22 minutes, interrupted three times by rain, she could not be dissuaded from completing what she suggested to be the best run of tennis in her career.

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The revelation was in the readiness of No. I seed Monica Seles to accept in silence her 6-2, 6-1 loss Saurday, after being overrun from ection for two weeks here. Perhaps now we really know why she skipped Wimbledon last year.

Or maybe this was her punishment. Before the tournament began, Wimbledon officials were announcing that players had the right to complain about Seles's renowned grunting, the haw-hee she exclaims (like a donkey in reverse) with most smacks of the ball. This never had been deemed an issue at any tournament, but Wimbledon gave it credence, inviting the tabloids to least and players to complain. Nathalie Tauziat brought it to the umpire's attention in the quarterfinal, and Martina Navratilova - never disturbed in their 11 previous meetings — complained twice during their semifinal.

When No. 2 seed Graf indicated she might make it an issue Saturday, Seles left it necessary to stifle herself during her first Wimbledon final. Her grunting is an expression of her fall-go, all-out commitment to the game. Subduing the impulse seemed no easier than trying to quit smoking She appeared more concerned with maintaining silence than she did in returning Graf's wicked serve, or in converting her own.

"I just thought, you know, hopefully I can start somewhere," Seles said. "So I felt maybe I can start here in the finals. Bot I don't think that was a key. I don't win my matches because of grunting. I didn't lose to Steffi today because I was not granting."

"I think there was so much talk about that grunting, or whatever, I think maybe that got a little bit to her," Graf said. "It is a good chance. It is hard to tell, because I don't know her very well, but I

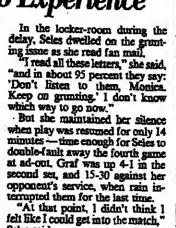
-could see that." That was not her only concern at Wimbledon. She was evacuated from her residence because of a bomb threat. Gorad Ivanesevic was quoted as saying that he boned she would lose, because of her disinterest in the war between her native Perbia and his Croatia. The tabhids reported that her relatives and friends left abandoned by her at home, and she complained of photographers following her - run-ofthe-mill stuff here, but this being her first appearance as No. 1 here. and wondering whether the tourna-ment was rousing the field to gang up on her, it's no wonder that, at 18, she would leel overwhelmed.

"In the whole tour not one single. person asked anything about it, not one single journalist," Seles said of her grunting. "I really felt, Why is this tournament the one to be asked? Then, secondly, I'm not the why one who's doing it. So I felt:
"Why is everyone picking on me?"

She was not the same player who for more than a year has refused to lose, carrying a 41-match major tournament winning streak, with championships in her last five Grand Slam events. She was 6-0 in Grand Slam finals, including her magnificent three set victory over Graf last month in the French Open, in which Seles displayed the rger beart.

Perhaps the ultimate shame is in the overshadowing of Graf's per-formance. Seles's lack of confi-dence in her volleys, thrown under the wave of Graf's momentum, might have been too much under any circumstances. Graf also had dismantied Gabriela Sabatini in the semifinal, surrendering just nine games over the last two rounds. Her best termis ever? "Definitely," Graf said, "Here I think I have played solid tennis. It was really focused and I just really

went for my shots." The players entered Centre Court at the appointed time. They played for 36 minutes without interruption, allowing Graf to establish breaks in the lourth game at dence and in the final game to win the set. Seles was serving in the second game of the second set when the first rain fell, forcing two delays in which three points were played over the next 2 muss 35 minutes.



That was not like her at all, But she suggested she would remember the memory of Graf running around the stadium, posing with her trophy, while Seles watched in tears. Her hopes of winning the Grand Slam had vanished, but that wasn't why she was crying.

"I personally never thought I would win the Grand Slam this year, really," Seles said. "With the level where we are of the players, I think it would have been a lot of luck to win it. It would be near possible this year."
As for Wimbledon: "I never real-

ly had to deal with so many things outside the court except here," she said. "But that was a good experience, you know. It makes my trip here next year a lot easier."



—IAN THOMSEN Andre Agassi got a lung of congratulations from Goran Ivanisevic after their five-set final on Sunday.

Taking the Game Back to the Baseline

WIMBLEDON, England -- Score one for

Andre Agassi is the first man since Bjorn Borg to win the Wimbledon men's title from the

Borg won five straight titles from 1976 to 1980 with a measured backcourt game, but the 1980s brought the big serve-and-volleyers like Bons Becker, Pat Cash and Stefan Edberg Jimmy Conners won his second All-England title in 1982 with a genuine all-court game, but Agassa's undeniable strong suit is his ground

In a tennis world increasingly dominated by fierce servers — personified by the beaten finalist Goran Ivanisevic — Agassi's hard hitting from the baseline proved a decided change.

"I do think the game has moved more to a power serve," said Agassi after his victory. "I do think I may have made a mark for people who play like I do. Maybe I've given them some

"I knew he was going to get his aces and his love games," said the 22-year-old from Las Vegas, Nevada, the first American man to win Wimbledon since John McEnroe in 1984. "My aim was to take the rare chances I was going to get on his serve."

After the first set went to the Croat in a tiebreaker, Agassi broke in the opening game in each of the next two sets. The first break was secured with one of a string of fine passing

"He was passing me unbelievably," Ivanise-vic said. "I had chances. Maybe I stopped a little bit in the fifth. Maybe I should have

Ivanisevic stepped up a gear in the fourth set, winning 6-1 as he broke Agassi for the first two times in the match, but he was unable to keep the momentum going.

By Steven Erlanger

New York Times Service

lana Boginskaya, one of the world's best gymnasta for a while oow, is having a case of the 19-year-old jitters.

It's not just the coming Olympics in Barcelona, which she has said will be her last. And it's not so much the confusion, in

the debris of the former Soviet Union,

Nor is it the declining standards of food provided for the Commonwealth of Inde-pendent States' best gymnasts, who live at

pendent states best gymnasis, who live at this deteriorating training center at Osero Krugloye, in the pretty forests an hour's drive north of Moscow's grime.

Her confusion is really about growing up, and what to do with her life when her

already extraordinary career as another of

the great pixie gymnasts is over.
"I try not to think about Barcelona," she

said, playing with two silver necklaces and touching a line of earnings pierced into one ear. "I try not to think it's the Olympics, but that it's just another competition." She paused, pulling back her hair. "The more

about where her loyalties lie.

OSERO KRUGLOYE, Russia - Svet-

It's the greatest achievement I've ever made." "I came here to win Wimhledon, but it's asking a lot to beat this field on grass. But by the time you get to the final, you oo longer even think you're on grass. You're just consumed by

"I felt extremely relaxed and poised out there

during the match ... I didn't feel any tension," he said. "This is the greatest title in the world.

I do think the game has moved more to a power serve. I do think I may have made a mark for people who play like I do. Maybe I've given them some confidence.' Andre Agassi

Agassi declined to play at Wimbledon be-tween 1988 and 1990. He returned in 1991 and reached the quarterfinals before losing to David Wheaton. On Sunday, he admitted his deci-

sion to skip Wimbledon was a mistake.

"It's kind of sad because the sport has offered me and my life so much, and this tournament has given me and my life so much and I should have learnt to respect it sooner," he said.

The respect is motual, with the Wimbledon crowds acclaiming Agassi for his flamboyance and his style.

His victory doesn't herald a definitive new approach to grass-court tennis, but it does offer a welcome change from serve and, if you're lucky, return and volley.

you think about it," she said finally, "you

Although much has been made of her

rivalry with the younger American, Kim Zmeskal, 16, who defeated her in April at

the world championships in Paris, Bogins-kaya says she feels "absolutely neutral"

Boginskaya first became all-around win-

ner at the 1989 world championships.

At the 1991 world championships in In-dianapolis, she barely lost because of what many believed to have been the overenthin-

many believed to have been the overenum-siasm of American judges.

Asked about Indianapotis, Boginskaya began to cry, but only for a moment. Brush-ing a tear away and trying to hide it, she said: "Well, it's all in the past."

Fidgeting in her pink trousers, rolled up above her molded calves, she said softly: "It

may seem strange, but mostly I want to take the upper hand over myself. I feel some uncertainty, and I tell myself sometimes I can't do anything the way I want to do it, and feel I'm incapable of anything."

She knows it's an absurd feeling, because

she's been a world champion for so long.

just get more nervous."

toward her competitors.

A Teenage Champion's Plaint: 'I Feel Incapable'

■ Pardon His Serbo-Croatian

Protests from television viewers led officials to warn Ivanisevic about his language during

"Somebody called Somebody called from

Yugoslavia, probably some Serb, so he told me don't swear." Ivanisevic said in a post-match interview, referring to the umpire.

body understands him bot that the umpire replied "these people understand." He said he explained to the umpire: "I am a

Croat, he [the caller] is a Serh, so he hates me, so sure he's going to call." "Maybe some people don't like me and they

called. You are going to find a lot of Serbian people complaining about what I say. I didn't say anything too bad."

Yngoslavia last year and obtained international recognition of its independence. Ivanisevic had earlier criticized Serbian-born

Monica Seles, who lost in the women's final, for oot disassociating herself from Yngoslavia.

meant that Agassi made an extra \$53,000 in prize money and Ivanisevic collected an addi-

tional \$26,500. The dollar rate when the prize money was was announced at the end of April was \$1.70 to the pound. That meant the first prize of £265,000 was worth \$450,500 at that time. The

the final. The Associated Press reported from Ivanisevic, a Croat, hlamed the protest on

Ivanisevic said he told the umpire that oo-

Croatia withdrew from Serbian-dominated

A recent wild fluctuation in the dollar rate

dollar rate now is \$1.90 and that works out at

\$503,500 for Agassi. Ivanisevic won \$251,750,

compared to the figure of \$225,250 in April.

"But the last year and a half have not been so successful for me," she said.

er for me to train the same way as before. When I was younger I did many of the elements easier than now, and sometimes I

make errors. And of course, when I was

younger, we studied new aspects all the

time. Now it's more routine work for me; it's repetition and repetition."

It's a little strange to hear such thoughts from someone so girlish and bithe, seeming

almost to disappear inside her loose trou-

sers and tank top, but Boginskaya knows she must plan for her future after sports, and she knows a good show in the Olympics may be crucial to her marketability.

"In the future," she said, "maybe I'll

leave for professional sport, or maybe work as a choreographer, or madvertisements for sports clothes. At least that's my plan so

The chief coach of the women's gymnas-

tic team, Alexander S. Alexandrov, is blunt.

These girls are only teen-agers, but they understand their future depends on their

performance at the Olympics," he said.

Tin growing older, and it becomes hard-

Ivanisevic's Big Serve Comes Up Short

By Ian Thomsen International Herald Tribine

WIMBLEDON, England - He was lying flat on his stomach. Finally, that was how Andre Agassi cele-brated. As the last ball was unpecl-ing itself from the other side of the oet, he was dropping to his knees—looking up; falling on his face. But he knows he can do that here.

He fell upon a pillow of grass. The surface was made for Agassi, though he learned this only Sunday, sobbing into the green roots, while the applause of his 6-7 (8-10), 6-4, 6-4, I-6, 6-4 victory enveloped him like a splendid surrounding waterfall. One point earlier he was the 12th-seeded brat who couldn't win Grand Slams, who relinquished to larger hearts, whose commercial motto was, "Image is everything," who, it had become too easy to say, was living a pretender's lie. And now, as he gathered himself up, he was a man en-tirely different. He was winner of the world's most precious tournament, the champion of every last of his own worst fears.

For three years he refused to enter this tournament, convinced that the Wimbledon grass would not permit him to play his game Irom the baseline. At last he returned last year, his outrageous wardrobe whitewashed to the elub's specifications. He made it to the quarterfinals that time, and this week he surged past Boris Becker, then John McEnroe, and into the final. It was noted, however, that he was benefiting from a lack of pres-sure. Almost predictably, be was

"As I started playing on the grass and getting more comfortable with it, I was surprising myself how well I was adapting to it," said Agassi, 22.

By the time you get to the final you no longer think you are on grass. You are just all-consumed with this confidence. You know you can only go out there and show it." The gravest doubts still had not

been erased. Becker appeared frustrated at having lost to an oppo-nent who would ultimately waste the opportunity. He suggested that Agassi would once more crumble as he had in three previous Grand Slam finals, as he had just last month in the French Open semifinal to Jim Courier. Agassi was the only member of the Pete Sampras-Michael Chang-Coorier group without a major championship. When he fell behind, he was beaten. His shying away from Wimbledon from 1988 through 1990 had only been an extension of his most feeble side. Of course, all of this was before the last point Sunday.

"You would think, being the fourth Grand Stam final, I would go into it almost with that same snow ball mentality — I hope I don't lose the fourth one," Agassi said. "But I felt extremely relaxed last night and this morning. I oever felt tension. I just felt ability. I felt myself over-flowing with this desire to want to go out there and hit shots."

His opponent, No. 8 seed Goran lvanisevic, 20 years old and playing in his first Grand Slam final, had beaten Agassi twice last year. He was going to serve 37 aces Sunday, totaliog 206 at Wimhledoo, thought to be a record for a twoweek tournament. His lefthanded serve had swept him past the sec-

"Many will leave the sport afterward, and

now that it's easier to leave the country, or

come and go, they can take part in various

professional shows or sponsorships."

Alexandrov thinks Boginskaya has "good prospects" in Barcelona in the vault, the beam (her favorite) and maybe

in the all-around. As a team, be said, "our

plan is three gold medals, a silver and a

bronze" but he said there was more com-

petition this year than in 1988, when Bog-

kinskaya won the gold in the vault and the

Boginskaya is wistful for life, having

hardly lived an ordinary one. Her father, a builder, and her mother, a housewife, are

from Minsk, in Belarus. Boginskaya start-

ed in gymnastics at the age of 7, pushed by

her parents.

Now, of course, her parents are proud,

but she sees little of them. For more than

half her life, since the age of 10, Bogins-

kaya has been coming here to the Olympic

training camp at Osero Krugloye, at first for 10 days a year, and then for longer and longer periods. "You could say I've spent

most of my life here," she said.

bronze in the all-around.

His first service point said something. He missed his opening serve. and Agassi smoked the second through lvanisevic's legs. He earned two break points before Ivanisevic aced his ad to hold in deuce.

"If Goran wants to hit the serve by you, it is going to go by you — it's just a question of if it's going to 20 in," Agassi said. My goal was to take the rare opportunities you get on the serve and make him really think about it by getting it to deuce or advantage, and I think getting to hreak point the first game of the match kind of helped me, and let him know I was there playing."

Ivanisevic won the first set tie-breaker, but Agassi was breaking him in the opening games of the second and third sets, growling through rallies like the dog that won't let go of the postman's leg. Ivanisevic was swinging his racket in disgust, bouncing it off the lawn (twice it almost bounced him in the face), and complaining about a service fault called by the umpire.

Agassi was leading, two sets to one.

Agassi was attacking whatever be

could reach, knocking the volleys out of Ivanisevic's hand. Almost predictably, his momentum was blighted on the verge of simple victory. Ivanisevic, lacking any better ideas, began attacking his opponent's second serve, breaking him twice in the fourth set, as Agassi's frustrated life passed before his eyes.

"That fourth and fifth set be was serving so big." Agassi said. "I was willing to tip my hat to him if be continued with it. I'm pleased with

ond and fifth seeds, Stefan Edberg and Sampras. my ability 10 stay positive after I got down like that. It's oot easy."

He knew he could not surrender a break and survive the fifth set. So he simply did not. In the seventh game Agassi volleyed away one Ivanisevic break point, then served through four dences before holding serve. The 10th game arrived and they were still even. Suddenly Ivanisevic was nervous, rushing. His first two serves shook the net. Love-15. He netted his first serve and served the second long, setting off the service alarm - Love-30 -

"I knew that it just might go to 30-30 with two more aces," Agassi

It reached that point with two service winners, but then Agassi returned a second serve to earn his first match point. At which time lvanisevic tossed the first ball too high and then wondered where to hit it, he admitted.

and netted his next one

"When his serve went into the oet," Agassi said, "my eyes lit up, and I was really aware of the fact it could be all done with one backhand return."

It was, when Ivanisevic missed for what seemed to be the trillionth time a simple forehand volley.

"I was sure I was going to put it in," he said. "But I saw it go into the oet and he was down on the floor and I was still standing.

They embraced, and then the trophy at last was handed to Agassi. He did not know what to do with it. He held it the way a new father holds his first baby. At last he cradled it to his chest, his lips read to be saying.

SIDELINES

Torino's Lentini Looks Milan-Bound

ROME (Renters) - AC Milan appears to have won the services of the striker Gianluigi Lentini after raising its offer to his current soccer club, Torino, by 4.5 billion lire to 18.5 billion lire (\$16.1 million).

The transfer deal is one of the biggest in soccer history, It surpasses the transfer fee of \$13 million paid in 1990 by Juventus for Fiorentina's Roberto Baggio, although Gianluca Vialli's move from Sampdoria this

year was reported to have cost Juventus in excess of \$20 million.

The extra payment announced Saturday is unlikely to appease supporters of 1992 UEFA Cup finalist Torino, who have staged violent protests in Turin against the transfer.

3d Monte Carlo Title for Woosnam

MONTE CARLO (Reuters) - Ian Woosnam became the first golfer since 1956 to win a European tour title three years in a row when he took the Monte Carlo Open after a marathon final round on Saturday.

Because of low cloud cover on the 3,000-foot high (914-meter) Mont And course, it took the Welshman more than six hours to shoot a closing 64 for a 261 total and a two-shot victory over Sweden's Johan Rystrom and Zimbabwe's Mark McNulty.

The last player to win the same European event three times was Peter

• Greg Norman's 68 gave him a one-shot lead at 205, 11 under par,

after the third round of the Western Open in Lemont, Illinois. Daley Thompson: One Last Chance?

LONDON (AP) — Daley Thompson, Britain's two-time Olympic gold medal winner in the decathlon, on Saturday pulled out of a meet in Norway after failing to qualify for a fifth Games. But Thompson, 33, vowed to try again, perhaps in a special meet set up

for him. "The selectors have given me until oext Friday to get the standard, and there'll be no problem getting another decathlon put on, perhaps somewhere in the Mediterranean," he said.

Last week, British track officials broke their own rules to give Thomp-

Last week, British track officials broke their own rules to give I homp-soo mtil July 10 to achieve the 7,850 points needed to qualify for the Barcelona Games. But Thompson managed just 2,973 points from the 100-meter, long jump, shotput and high jump in the Britain-Norway meet at rainy Trondheim before withdrawing.

Ainge Leaves Portland, With Regret

PHOENIX (AP) — Danny Ainge, an Oregon native who had hoped to end his Nadonal Basketball Association career with Portland, has signed a three-year, \$5.2 million contract with the Phoenix Suns, after the Trail Blazers let him get away.

The I1-year, 33-year-old veteran became an unrestricted free agent last

Wednesday and soon received a telephone call from the Suns offering the contract, which he signed Friday. "I gave Portland every opportunity to sign me," Ainge said. "They knew I had a lot of ties to Portland and I think they were counting on those attachments to keep me from going to another team. They obviously didn't take me very seriously."

Portland was said to have offered a two-year, \$2.6 million contract.

Ainge reportedly earned \$725,000 last season.

For the Record

Jim Valvano, the 46-year-old television broadcaster and former basket-ball coach at North Carolina State, is undergoing treatment at Memorial Sloan-Kettering Cancer Center in New York. Said Aonita, the 32-year-old Moroccan distance runner, will run only

the 1,500-meter race in the Barcelona Olympics and will not try to run the 5,000-meter, in which he was Olympie champion in 1984. (AFP)
The World Boxing Council super flyweight champion, Moon Sung Kil,
stopped Mexican challenger Ar-

mando Salazar in Seoul on Satur-

Jan Zelezny of Czechostovakia broke the world javelin record with a throw of 94.74 meters (310 feet, 9% inches) Saturday in Oslo. The previous record of 91.46 meters was set early this year by Britain's Steve Backley in Auckland, New Zea-land. Saturday, Backley led only for the first of six rounds, with a throw of 85.06 meters.

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LANGUAGE

Its and Its Antecedents

By William Safire

WASHINGTON — MTV, the cable cetwork playing the music that appeals to young minds, had a good idea: it would make its facilities available to candidates for president, thereby appealing to pulsing

brains as well as tapping feet.
"Tonight on MTV," headlined the proud network's full-page ad in some of the United States's most prestigious newspapers, "Bill Clintoo faces the genera-tion that holds the future in their hands."

Members of a straitlaced, out-of-it generation looked at that ad, shook their heads and said, "In its hands." The word their is a pronoun, which is a word that substitutes for a noun; that pronoun must agree in number with the noun for which it substitutes, which we call its antecedent. But in this case, the antecedent is eneration, undeniably singular, calling for a pronoun that agrees with it - namely, its. That would give you the generation that holds the future in its hands.

You don't like its? You are hooked, as a sensitive copywriter, oo "their hands"? O. K., the language is flexible; make it read "Bill Clinton faces the young people who hold the future in their hands." The antecedent word people, in this sense, is plural, and the plural pronoun their agrees with the idea of all those individual teeny-boppers, thigh-drummers and saxophone players.

So far, we have been looking at pronoun-antecedent agreement; now consider the other kind of grammati-cal harmony, subject-verb agreement. In this ad, the copywriter — who when it came to pronoun-anteced-ent agreement had been chewing gum to the rhythm of a different drummer — twice faced the problem of subject-verb agreement.

Happily, twice he or she stepped up to the challenge with perfect agreement: in the main clause ("Bill Clinton faces . . .") the writer matched a singular subject (Clinton) with a singular verb (faces), and in the restrictive clause following generation ("that holds . . ."), the writer equally tidily matched a singular subject (that standing for generation) with a singular verb (holds).

The big disagreement problem, it appears, is in pronouns and antecedents. Here's another full-page ad, this one from Blue Cross, shouting ont its conflict: If the government thinks it has a role in health reform, we've got a message for them."

Agreement junkies would immediately say, "For it." But the copywriter, trying desperately to be idiomatic; would answer that he's playing on the expression "We've got news for them." Them is a good sentencecloser, and it doesn't quite sound right. O. K., not to worry, the flexicon is ready: "If politicians (or government leaders) think they have a role in health reform, we've got a message for them."

Few people would argue with the agreeable didactives above. Now let's get into agreement trouble, Here is a oote from J. Bennett Johnston, senator from Louisiana: "Would my favorite song of yesteryear, To Each His Own,' now be To Each Their Own,' or is

everyone entitled to their own opinion on that issue?"
Very tricky double question, Senator, You are asking first: When gender is indeterminate (to each), why should we go with the male (his own)? If "To Each His

or Her Own" doesn't exactly make music, how about 2 neutral plural instead, like their? Then you ask the second part: when everyone is the antecedent, should the pronoun be singular or plural?

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First to sex: I would not break the rule on pronounantecedent agreement just to make a political point Pressure from feminists to do so is understandable. and writers from Jane Austen to Sydney Smith have done it, but as sexual equality is achieved, the need to stretch syntax will let up. I suggest a politics-grammar deal: let half the Senate be women and let the male

pronoun embrace the female. Now to the controversy raging among usaging about notional and formal concord. Notionalists, the swingers in this scrap, concentrate on meaning; for-malists, on grammatical concord. Take the indeterminate pronouns anybody or everybody, somebody of nobody: notionalists say each one may be plural, but formalists treat the words as singular. Formalists say everybody is, meaning "every single

body," and nobody is, meaning "not one body"; no-tionalists go along with the subject-verb agreement but part company with the formalists on pronouns and antecedents. The meaning of everybody, say the notionalists, is not the singular person but the phural people; therefore, them or their agrees with the ante-cedent everybody, not him or his. "The plural they, their, them with an indefinite pro-noun as referent is in common standard use," reports

Merriam-Webster's Dictionary of English Usage, way. ing the notionalist banner, both as common-gender singular and to reflect notional agreement." Then, with sly glee, the laid-back usagists cite a prescriptive sea-tence of mine: "Whenever anyone uses the pressure of usage to force you to accept the nonsensical and swallow the solecism, here's what to tell them."

My mistake; I should have matched anyone with him; But I wasn't thinking of one person, any one body, I was thinking of all those loosey-goosey guys who go with the usage flow, and so — drat! — I followed the meaning rather than the form and used the notional. them. Now I have to ask myself: if I meant them, why not say them? Shouldn't form follow function?

Almost everybody who reads this column respects the moorings of grammatical form and resists the temptation to wallow in linguistic ambiguity (note how almost everybody takes the singular verb form reads, respects and resists), but they — damm, there I go again, using they when the form calls for he. Is it worth it? Do I feel. like a jerk, trying to conform to good order? After all, I say none is when I mean "not one of them is," and none are when I mean "not any of them are."

O. K., that's it - fight's over for me. My new rule: the writer or speaker using indeterminate pronouns should go with the pronoun that fits the meaning of the antecedent in his own mind.

I still consider nouns like generation and, in American usage, government to be singular collectives that take the pronoun its. But for pronoun-antecedent agreement of indeterminate pronouns, my determina-tion is: Let everybody do their thing, when the meaning of everybody is the plural "all people," and to each his own, when the sense is singular. Consistency-counts; after all, as Senator Johnston's favorite song goes, a rose must remain with the sun and the rain of its lovely promise won't come true.

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Thocolate (1892), roast meat (1925) and cognac (date unknown): Examples or rink posters of the solden age of lithography from 1850 to 1950, at the Seit		

Posting a French Gastronomical Voyage

PARIS — Since the manufacture and distribution of tobacco products in France is in the hands of a state monopoly called Seita, the government has been slower than many to denounce tobacco as a health hazard and has left it to Seita to find ways to promote itself in ways unrelated to gaspers

The pleasantest way for some years has been the small, bright Seita museum at 12 rue Surcouf which puts on pleasant temporary shows not necessarily connected to tobacco. The current exhibition. "Uo Voyage Gourmand: 60 Affiches de Gastronomie de 1850 à 1950," is a selection of old posters advertising French food and drink.

The works in the show may not be high art - although they include such masters of the poster as Cheret, Cappiello, Mucha and even Pierre Bonnard — but they have a robustness imparted by the new craft of lithography, which transformed the graphic arts, and by French gourmandise.

The preface to the catalogue is written with his usual solemnity by Alain Senderens, the famous chef and president of the Conseil National des Arts Culinaires, who states that the Conseil is proud to be the patron of an exhibition which so aptly illustrates the oational heritage which must

be maintained in the new community of Europe. All this to explain an amiable display of 60 posters produced at the historical conjunction of manufactured, rather than homemade, products, of the new trade of mass advertising, of a cheaper way of producing posters than old-fashioned woodcuts, and an improved rail service

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which made it worthwhile for, say, the oystermen of Brittany to advertise their wares in Paris.

If in time the posters came to show the agile mockery of Cappiello and the sleek worldliness of Cassandre, at the start they tend to feature comforting women, ranging from robust peasants to Mucha's sinuous pitchwoman for a

MARY BLUME

brand of champagne to proud housewives beaming at new

kitchen equipment. When it comes to newfangled gas ovens, it is generally the well-dressed maîtresse de maison and not one of her servants who is seen complacently lifting the lid from a steaming pot or exclaiming of her gleaming La Comue, "Now this is an oven!" (The soothing words, "free instructions supplied" are written on the side of the oven, which looks like an immobilized rocket.)

The posters suggest how life was changing: a chef praises a new and inexpensive butter substitute, still sold today, called Vegetaline, a little girl with Shirley Temple curls is shown dipping her finger in an irresistible pot of jam. The image had to be cute to overcome the fact that women were still expected to make preserves and not to buy them. Mass-produced biscuits were also popular, and preserved

meat and charcuteries, and chocolates, bouillon cubes, packaged noodles and tinned sardines. Restaurants commissioned posters out only to advertise their premises but also their quick home-delivery service.

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The restaurant Capin, near the Paris Opéra, offers gold medal-winning escargots. "Prunier delivers quickly and well," says the caption for a poster of a gumbooted fisherman emerging from the sea with a basket of oysters on his head. (The dangers of eating oysters in months without an "r" were not yet publicized: Prunier delivered from August

The highest degree of market awareness is seen in the wine and liquor posters. Some manufacturers picked up the German method of showing just the object, the Sachplakat a bottle of red, for example, with the caption, "the very spirit of Burgundy," while others showed characters likely to appeal to potential customers — cheery rubicand beer drinkers, top-hatted dandies for champagne.

Sometimes the posters were aimed at the foreign market. One cognac poster is captioned in Arabic for the Egyptian market; another, for Jules Robin cognac, is written in Chinese and shows two Oriental flappers under a flowering cherry tree. A Chocolat Menier poster for New York shows a schoolgirl writing, as if on a blackboard, "Drink Chocolat Menier."

The exhibition, which continues to Sept. 12, may seem like a selfless gesture to the graphic and gastronomic arts on behalf of the tobacco industry and undoubtedly it is, in part. But in a neighboring room there is show tracing the history of cigar box labels. "Tobacco is often associated with the pleasures of the table," the show's catalogue disingenuously observes.

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